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FINANCIAL TIMES

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THE QUEEN'S AWARD TO INDUSTRY 1971 1975

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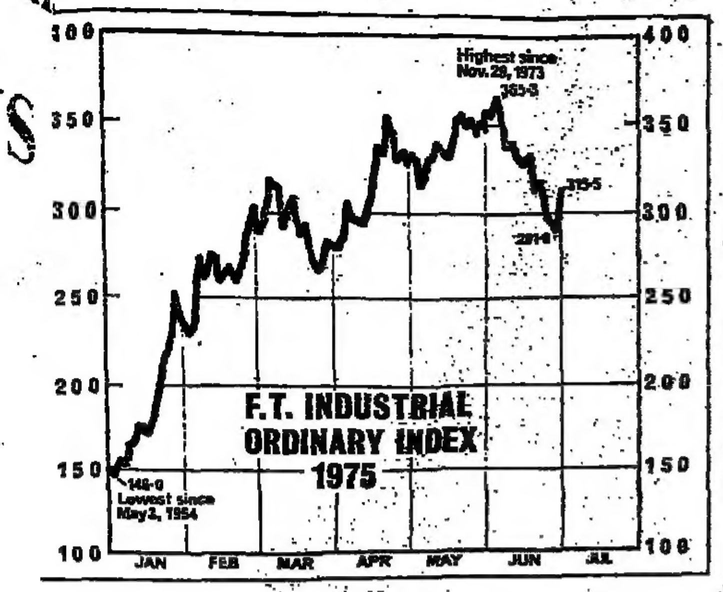
NEWS SUMMARY



Index rises by record 23.7

● EQUITY stock markets yesterday staged a huge advance with Mr. Healey's statement on limiting pay increases.

The FT 30-share index rose 23.7 to 315.5, its biggest points rise in a single day, but the percentage increase of 8.1 per cent. did not match the 10 per cent. gain last January 24, when the index was moving sharply away from its 20-year "low" of January 6.

The index recovered nearly a third of the 73.5 points lost over the previous 17 business days, but the advance owed much to the thin and oversold condition of the market when awaiting the economic package.

The level of trade was small, with official markings of 5,812. In FT Industrials rises exceeded falls by 2 to 1. All three main indices in the FT Actuaries gained around 5 per cent., the All-share being that much higher at 134.80.

● LONG and medium gilts, already improving, edged higher after hours, closing up to ½ ahead. Shorts, unsettled earlier by increases in U.S. Treasury Bill rates, showed limited gains of around ¼.

GENERAL

Callaghan will go to see Amin

President Amin of Uganda will get his meeting with Foreign Secretary James Callaghan, probably next week.

This follows the announcement yesterday on Radio Zaire that the Ugandan leader had agreed to reprieve British lecturer Dennis Hills, due to be executed on Friday. It is not yet clear whether this means a full pardon or simply a reprieve, but either way Mr. Callaghan will go to Kampala. Back Page

Gujarat anger

First powerful figures to challenge Mrs. Gandhi's new measures emerged, as might be expected, in India's State of Gujarat yesterday. Angry in particular at detention of Mr. Morarji Desai, architect of their election victory last month, the Janata Front spoke up against the Prime Minister's moves. Back Page

Girls in court

Two London schoolgirls who appeared in a Nairobi Juvenile Court yesterday charged with attempting to smuggle £100,000 out of Kenya, may provide the lead to uncover Kenya's biggest currency racket. They were remanded on bail.

Doctors fail

Sixty per cent. of the overseas doctors who took Britain's first tests in English and clinical knowledge, failed the exams, the GMC said, confirming many senior consultants' fears. Up to 60 per cent. of hospital medical staff are overseas born.

People, places

Brakes on each wheel of the coach in which 32 were killed at Devil's Bridge had a defect, DoE official told the inquest yesterday.

Three rare osprey eggs have been stolen from an eyrie in Scotland.

Plans to charge motorists £1.25 a day in central London have been abandoned. Page 23

Two men accused of causing the death of London bus conductor Ronald Jones were acquitted of manslaughter and assault and discharged.

BUSINESS

U.S. gold to sell at $165

● GOLD was 20 cents higher at $166¼. In the U.S. gold auction, the U.S. Treasury said it will sell 499,500 ounces to those who bid $165.05 an ounce or more

● STERLING was up 180 points at $2.2100. Weighted average narrowed to 27.8 per cent. (28.9).

● INVESTMENT DOLLAR Premium fell to 96 per cent. before picking up to 98½ per cent. for a 5½ point loss on the day. Conversion factor 0.5995 (0.5815).

● WALL STREET was off 1.57 at 877.42 on consolidation.

● MONEY SUPPLY growth still appears to be lagging significantly behind the general rate of inflation. Page 8

● FREE ENTERPRISE is an essential part of Britain's future, Mrs. Margaret Thatcher, Conservative Opposition Leader, said. Page 8

● AIRCRAFT and shipbuilding industries nationalisation Bill will have to be deferred into the next Session of Parliament. Back Page

● DAILY TELEGRAPH NUJ members did not return to work after a union branch meeting discussing a wage claim adjourned until to-day. Executives and Institute of Journalists members were producing the paper.

● ICI's 2,300 craftsmen at its Wilton, Teesside, petrochemicals complex voted to end their three-week pay strike. Page 7

COMPANIES

● HAW PAR Brothers International's £25m. plan to link with the Malaysian Government-controlled Pernas Securities may have to be revised. Page 21

● SKF statement is expected to-day after publication of Thorn's formal offer document in the battle for control of Sheffield Twist Drill and Steel. Page 21

● LAND SECURITIES Investment Trust is raising at least £80m. towards the cost of its development programme from sales arranged since April 1974 of "selective investment properties." Back Page

● TATE AND LYLE proposes a one-for-four rights issue at 170p per share to raise about £18.5m. Page 18 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 9% '92-'96	£88⅝	+ ⅛
Albright & Wilson	67	+ 9
Allied Breweries	65	+ 5
Beecham	278	+ 18
Boots	207	+ 17
Bowater	141xr	+ 12
British Land	17½	+ 5½
Brown (J.)	58	+ 9
Bats	315	+ 16
Courtaulds	127	+ 12
EMI	185	+ 17
Fisons	382	+ 32
GEC	124	+ 9
Glaxo new	138*	+ 28
GKN	238	+ 25
Grand Met.	66	+ 9
ICI	263	+ 18
Land Secs.	177	+ 21
Lonrho	133	+ 10
Lucas Inds.	104	+ 11
MEPC	116	+ 16
Marks & Spencer	200	+ 13
Metal Box	244	+ 26
Midland Bank	253	+ 28
Pearl Assurance	196	+ 28
Sainsbury (J.)	148	+ 14
Thomson Org.	169	+ 11
Trust Houses Forte	93	+ 10
Tube Invs.	256	+ 22
Unilever	382	+ 28
Shell Transport	317	+ 13
Ultramar	190	+ 16
Gold Mns. Kalgoorlie	150	+ 20
Selection Trust	595	+ 10

FALLS

Anglo American	505	− 15
De Beers Dfd.	322	− 11
East Drie.	£11⅛	− ⅝
Leslie	146	− 8
Pot. Plats.	224	− 6
Western Deep	£21⅜	− 1¼

* Premium

GOVERNMENT ACTS TO ARREST SLIDE IN STERLING

Healey plans 10% pay limit

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A RIGID ceiling of 10 per cent. on all wage increases, and strict cash limits on public sector wage bills, are the key elements in the Government's proposed measures to reduce the U.K. rate of inflation and restore confidence in the pound.

The announcement by Mr. Healey, the Chancellor of the Exchequer, to a packed house yesterday afternoon had a dramatic effect on sterling, which closed a full 1 per cent. higher than its midday rate, at 27.8 per cent. below December, 1971, levels, against 28.9 per cent. on Monday.

The pound opened at a new all time low of 29.2 per cent. yesterday morning, and at one stage the rate against the U.S. dollar was down $2.17½. A recovery set in before Mr. Healey's announcement, with the pound rising to around $2.19½, partly in anticipation of the measures. Afterwards the sterling dollar rate jumped sharply to close at $2.2105.

The speed with which the measures were announced was entirely accounted for by the dramatic decline in sterling last week and on Monday. This led to an emergency meeting of economic Ministers on Monday afternoon. At the Cabinet meeting yesterday morning Mr. Healey won approval for making his statement in the afternoon.

● Target to bring inflation down to 10 per cent. by end of next wage round and to single figures by end of 1976.

● Pay and dividend increases not to exceed 10 per cent. in next wage round. The limitation on dividends previous permitted rise was 12½ per cent.) applies from to-day.

● Unless "convincing arrangements to ensuring compliance" can be reached, the Government will introduce legislation to enforce 10 per cent. pay limit. Decisions to be announced in White Paper before end of next week.

● Public sector to have cash limits for wage bills fixed by Government to prevent excessive subsidies.

● Private employers to be encouraged to comply through Price Code.

● Action to check the rate of price increases as the rate of inflation slows.

● More use of cash limits to control public expenditure in short term.

The announcement constitutes an acknowledgement by the Government that the pace of discussions between the TUC, CBI and Ministers was too slow to reassure overseas holders of sterling.

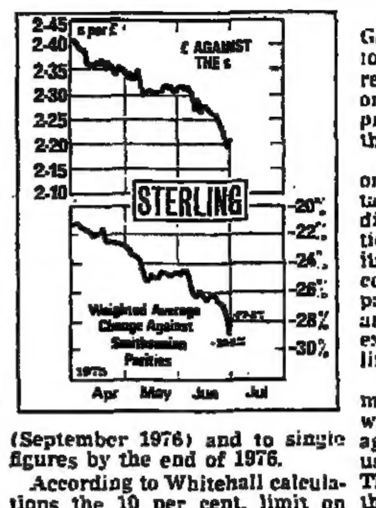
Unions and employers have effectively been served a week's notice to come up with a voluntary agreement to comply with the 10 per cent. limit on wage increases in the next wage round. Failing that, the Government intends to make its proposals statutory.

Although Mr. Healey committed himself to the innovation of employing "the system of cash limits more generally as a means of controlling public expenditure in the short term." his measures are essentially an incomes policy package.

There are no public expenditure cuts as such, the main aim on this front, in the short term, being to keep the current financial year's spending within bounds and adhere to the Budget target of a public sector borrowing requirement of £9bn.

Mr. Healey ruled out cuts in public expenditure and changes in the Government's nationalisation plans as irrelevant to the time scale in which he was trying to reduce the inflation rate. He also maintained that public expenditure cuts would merely exacerbate the rising unemployment trend.

The whole package is put in the context of the Government's stated aim of reducing inflation rate to 10 per cent. by the end of the next pay round



(September 1976) and to single figures by the end of 1976.

According to Whitehall calculations the 10 per cent. limit on wages is equivalent to between £5 and £6 a head on the country's wage bill. In the rush to announce the broad policy yesterday, the Chancellor left the details vague, saying the Government would "set out how the 10 per cent. limit for settlements should be expressed, for example as a percentage or flat rate or some mixture of the two."

Mr. Healey stressed that the Government would "not hesitate to take whatever legal action is required to impose an obligation on employers in the public and private sectors to comply with the limit set."

Although the 10 per cent. limit on dividend increases (which takes effect to-day) is obviously dictated by political considerations, the use of the Price Code itself is not intended to make conditions any harder for companies under the code than they are now — except where they exceed the Government's wage limits.

It is evidently the Government's intention to arm itself with legislative reserve powers against employers in addition to using the stick of the Price Code. This would be the case whether the incomes policy finally turns out to be voluntary or compulsory, and the legislation could be passed before the recess.

An important point about the

Continued on Back Page
Editorial comment and Samuel Brittan Page 16. CBI reaction Back Page. The corporate and public sectors Page 17. More features and Parliament Page 10

Now no alternative to Government package–MPs

BY JOHN BOURNE, LOBBY EDITOR

THE IMMEDIATE reaction of Labour and Conservative MPs to the Chancellor's unexpected and dramatic statement was that it would make it more difficult for the TUC to reach a voluntary agreement on wage restraint and that the Government would now be forced to produce its own package of anti-inflationary measures for endorsement by Parliament.

"Mr. Healey to-day cut the ground completely from under Mr. Jack Jones," commented one usually shrewd Labour MP. "Giving a one week deadline to the unions and the CBI is a form of blackmail likely to be counter-productive."

He and a few others blamed the Prime Minister for using his influence in the Cabinet yesterday to produce a typical compromise solution aimed at trying to keep Mr. Michael Foot, Mr. Anthony Wedgwood Benn, Mrs. Barbara Castle and other Left-wing ministerial colleagues behind the Chancellor and in the Government.

But Mr. Foot, the Secretary for Employment, kept his options open on resignation when answering Commons questions yesterday. In January, in a TV interview, he said he was bitterly opposed to any form of statutory incomes policy and that if the situation should arise there might well be headlines saying, "Mr. Foot will resign if the policy is introduced."

The element of compromise in Mr. Healey's statement is that any reserve statutory powers on incomes would be directed at employers to comply with the 10 per cent. wage limit, and that trade unionists would not be sent to prison or fined.

However, hard-line left-wing Tribune Group members like Mr. Eric Heffer and Mr. Norman Atkinson made it plain that they regard such powers as a back-door method of imposing a statutory policy, and that in any case, Mr. Healey's statement would interfere directly with the right to free collective bargaining enshrined in the Labour Party manifesto.

Mr. Atkinson said that Mr. Healey had announced the introduction of compulsory wage control, which would be totally unacceptable to the TUC and the annual conference of the Labour Party.

Abstention

The Conservative Opposition is likely to recommend its MPs to abstain on any votes to amend the Prices Code or pass legislation giving the Government additional statutory powers. Although they would object to any measures to make employers bear the brunt of legal sanctions, with trade unionists escaping relatively unscathed, Tory leaders took the view yesterday that a national economic and financial crisis is not the time to try to throw out a Labour Government. However, they are likely to press for complementary measures against workers who strike against the Government's wage target, and also for the abandoning of further nationalisation measures.

Like the "shadow" Cabinet, Tory backbenchers are keeping their options open until they see next week's White Paper. They expect their votes to split three ways in the Commons—the bulk abstaining, a number supporting the Government and a smaller group opposing it. The last group consists of younger MPs who believe that it is the Opposition's duty to throw out a Government at the first opportunity whatever the circumstances.

The Liberals and some of the Scottish Nationalists are expected to support the Government. This would probably ensure the passage of any Orders or legislation before the summer recess.

The Government's problem is that some Tribune members are certain to vote against it. But last night the bulk of Labour MPs, although far from happy with the Chancellor's statement —some even accused him of robbing MPs of their expected £2,000 salary increase—seemed likely to support the Government because of the urgency of the economic crisis.

It was argued that the present situation was quite different to 1969 when the centre of the Labour pary revolted successfully against Mrs. Castle's proposed penal sanctions against strikers.

These indications, with most Tories abstaining, are enough for Mr. Wilson at the moment.

TUC seeks to rally support for voluntary wage/price policy

BY JOHN ELLIOTT, LABOUR EDITOR

DETERMINED efforts to rally trade unions behind a voluntary pay and prices policy despite the Government's new anti-inflation plans were launched last night by senior TUC leaders in the wake of the Chancellor of the Exchequer's announcements.

Mr. Len Murray, Mr. Jack Jones and Mr. David Basnett all called for urgent talks to reach a voluntary agreement but their line was predictably spurned by Left-wing opponents of the social contract such as Mr. Hugh Scanlon of the Engineers, who condemned the Chancellor's threat of statutory restraint.

Talks are now expected later this week between the TUC economic committee and the Government to lead on to a policy-making TUC General Council meeting early next week. Mr. Jones, however, may not be at this week's meetings because he is insisting that he cannot leave his Transport and General Workers' Union biennial conference in Blackpool before Friday.

The TGWU conference had followed the lead of Mr. Jones just three hours before Mr. Healey's statement and voted for continuing to back the social contract. Later Mr. Jones significantly did not rule out the possibility of accepting a pay and price policy based on a 10 per cent. target providing this were converted into flat rates and providing the better off, perhaps those earning above £5,000 a year, accepted nothing.

A straight calculation of applying a 10 per cent. target to average earnings, which are now approaching £60, would produce a £6 target, although the Government is now thought to be aiming at £5 which could be the result of deducting overtime and other extras from the average earnings figure.

Up to now Mr. Jones and his colleagues have shown no signs of being interested in going below £8. Now, however, the TUC may try to negotiate the £5-£6 level up to £8 by saying that no-one above £5,000 should have a rise and that those earning very high salaries should take a cut to allow the worse off to have more.

But Mr. Jones stressed yesterday in Blackpool that he would not agree that all salaries should go up by 10 per cent. and added that he would continue to push his flat rate approach. Like other union leaders, he was also disappointed that the Chancellor had not gone further yesterday on the TUC's six "guiding principles" which called for tough price controls and for unemployment to be brought down to 500,000 next year.

Now the unions expect to enter a period of tough bargaining with the Government and the CBI on price controls although it seems certain that they will be told their 500,000 unemployment target is unattainable.

Mr. Len Murray, TUC general secretary, acknowledged in his statement on the situation that there would be "misgivings" among the unions over the Chancellor's statement but said it would still be "quite wrong to abandon the urgent efforts initiated by the TUC general council to reach agreement about the best methods of achieving an early and significant reduction in the inflation that is threatening living standards and jobs."

He added that "a system that was both voluntary and workable must be the target of the next few days" while Mr. David Basnett of the General and Municipal Workers called for voluntary talks with the Govern-

Continued on Back Page
Transport workers vote for Social contract, Page 7

Seamen call strike ballot

BY ROY ROGERS, LABOUR CORRESPONDENT

THE POSSIBILITY of a crippling national seamen's strike loomed yesterday after leaders of Britain's 40,000 Merchant Navy seamen rejected a £35m. arbitration award which would have improved seamen's earnings by more than 43 per cent. by next January.

By ten votes to eight the executive of the National Union of Seamen turned down the award and decided to ballot their members as to whether they agree with the rejection and are prepared to take strike action.

Significantly the decision was taken without any knowledge of the Government's new wages policy announced by the Chancellor yesterday afternoon. But even so there are apparently no plans for reconsidering the decision and the ballot looks set to go ahead within a week, with the result expected in about three weeks.

Mr. Jim Slater, NUS general secretary — who along with several members on the union executive was among the group of "politically motivated men" highlighted by Mr. Wilson at the time of the 1966 seamen's strike —tried unsuccessfully yesterday to secure acceptance of the award.

After a day-long meeting of the union executive the award was rejected on the grounds that it did not meet the claim for an immediate £40 basic rate for a 40-hour five-day week or demands for improved overtime pay rates.

The reaction of the employers, the General Council of British Shipping, was one of "astonishment" that the union should have rejected such a "massive" award. Any further improvements appeared to be ruled out by Mr. Bill Hunt, chairman of the employers' negotiators, who declared: "we are not willing to vary the award or the timing of it."

A strike, he added, could be disastrous for Britain's economy, as the shipping industry was currently contributing some £700m. a year to the country's "invisible" earnings.

Hopes of averting damaging strike action—the 1966 strike lasted seven weeks, eventually tieing up 800 ships—now appear to rest on the union's ability to achieve the necessary simple majority of those relatively few seamen who will be ashore in the U.K. during the 10-day duration of the ballot.

If accepted the award would mean immediate earnings increases of 31 per cent., followed by a further 9.7 per cent. in January—a big increase on the 30 per cent. "final" offer made by the employers under a strict interpretation of the social contract wage guidelines.

However, with scant mention of the social contract the tribunal, set up by the Advisory, Conciliation and Arbitration Service and chaired by Professor George Thomason of University College, Cardiff, came up with a package of improved basic rates, overtime earnings and leave, efficiency and certification payments.

The package, worth 37.3 per cent. in the full year—29.2 per cent. of that being "new money" —was apparently opposed by employers' nominee Mr. Michael Bett, GEC personnel director, and this meant that, as chairman of the arbitrators, Professor Thomason decided the award.

The award includes:

● Lifting the employers' consolidated basic rate offer for qualified able seamen from £33.46 to £40 from January.

● This would be achieved by increasing the able seamen's present true weekly basic rate of £25.44½ to £32 from to-day—including consolidation of £4.40 cost of living payments and week-end working allowances already being made—and to £34 on January 1.

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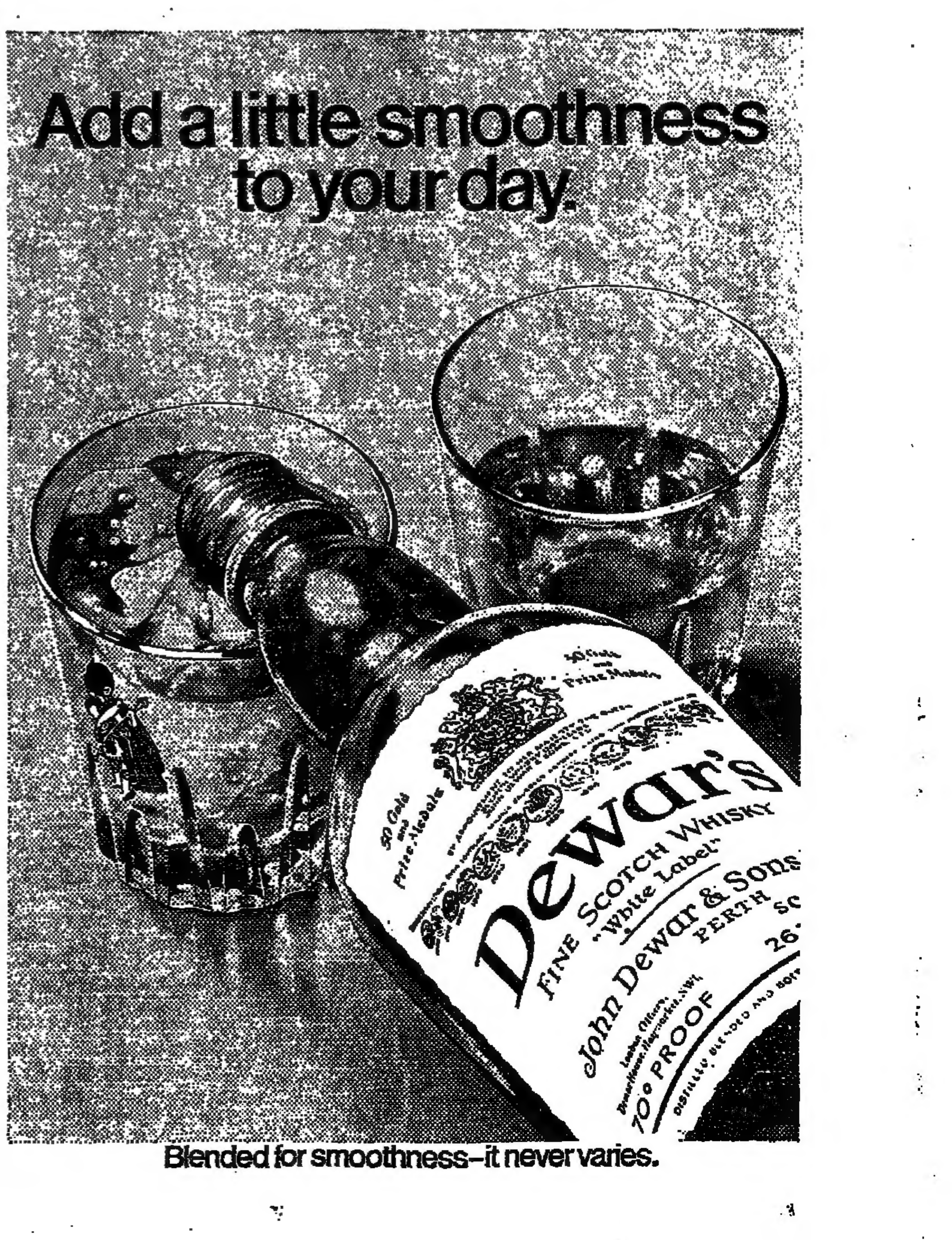


Oil prices—a two-way stretch

BY C. GORDON TETHER

THE MAJOR questions of principle which the activities of the OPEC cartel is raising for countries that are themselves major producers—and soon, therefore, to include Britain—are ringed round in no uncertain fashion by the recent report of a Congressional committee on the Kissinger proposal for an international oil price floor.

The Kissinger plan evidently has some connection with the Americans belated conversion to the idea that, having failed to pressurise the OPEC countries into setting world prices moving down again, the oil-consuming countries should accept a maximum long-term price as part of a general package aimed at replacing confrontation with collaboration. But its main purpose is to promote the emergence of alternative sources of energy in consuming countries — notably by providing an assurance that high-cost development will not be apt to have the ground suddenly cut from under its feet by a future cut-back in OPEC prices.

The Ford Administration's proposal that the prices charged in the U.S. for home-produced oil should be raised—as they would have to be to tie in with the Kissinger plan—has met with considerable resistance within the country on a short-term argument. This is that such a development could throw America's incipient economic recovery off course at a very sensitive stage. And, as the Morgan Guaranty Company shows in its latest monthly survey, such objections cannot be lightly dismissed seeing that the cost of ending regulation of oil prices would amount to some $15bn.—a deflationary injection of substance even in an American context.

At less cost

But the Congressional report's attack on the minimum price concept is based on arguments that are of a longer-term nature and which also have considerable relevance to the question of whether other consuming countries would be well-advised to go along with the oil price floor idea as part of an international fuel prices stabilisation effort.

It makes some very telling points. One is that a minimum price would be unlikely to provide effective protection for new high-cost energy production in the event of the OPEC countries deciding to undercut it. And there is no difficulty in seeing that they might not always be so inclined as they are now to see competition from other producers as having no significance for their own marketing policies.

There can, indeed, be little doubt that it would be next to a practical impossibility to prevent consumers in the world at large availing themselves of cheaper OPEC oil in such circumstances. And this, plus the fact that equalising home prices with OPEC's would confer huge windfall prices on existing energy producers, must mean something else. It is that the Committee is right in maintaining that, if it is necessary to promote massive new investment in the energy field to prevent the U.S. becoming excessively dependent on imported fuel, the result can be achieved more effectively and at much less cost to the public by arranging to subsidise high-cost production directly.

The acceptance by this Congressional Committee of the proposition that it does not make sense to allow increases in world prices procured by foreign cartels to be exploited by home producers for the purpose of reaping, at the public's expense, rich rewards which they would otherwise have been denied is important. For it has a major bearing on the question of what attitudes other advanced countries should adopt towards the U.S. suggestion that they should all participate in the Kissinger minimum oil price plan.

British case

This is particularly so in the British case. For Britain is, of course, on the way to becoming a major producer of oil herself. And here, as in the American case, the interests of the producers may be to some extent at variance with those of the public at large—not to say diametrically opposed—where such ideas as the minimum floor price plan are concerned.

Thus the producers would obviously like to have the assurance of a floor price arrangement which would hopefully provide them with some protection against the backwash of a possible major downturn in world fuel prices engineered by OPEC, or arising from a collapse of the OPEC cartel. However, the general public — and, for this purpose, the term includes the non oil-producing business system—would obviously like to be in a position to take advantage of any downturn in world oil prices whether the fuel it is buying is supplied by the Arabs or derived from our North Sea deposits.

The British Government—like its American counterpart — has, therefore, a difficult course to steer in this field. And it becomes more complicated still if it is assumed that Britain will eventually be producing oil on a sufficient scale to have a substantial amount left over for disposal abroad after satisfying home consumption.

SALEROOM

BY ANTONY THORNCROFT

Sticky market for Moderns

THE MAIN summer sales of Impressionist pictures at Sotheby's and Christies' were held yesterday. The Sotheby's sale of fifty "fresh" paintings by some of the leading names in Impressionist art started late at night, but Christie's disposed of Impressionists and Moderns in the morning for a total of £836,703.

It cannot be claimed that this was one of Christie's most successful sales. It had auctioned better pictures in April when it collected £1.2m. on seventy lots. Yesterday about a fifth of the 122 pictures failed to reach their reserves, and casualties were particularly rife among the Moderns.

It seems art collectors are going for the re-assurance of a good Impressionist this year, rather than taking a gamble on modern artists who have yet to develop a proven track record.

The two best pictures, though, did reasonably well, especially a small pastel by Edgar Degas, entitled Scene de Ballet, which was bought by the New York print dealer, David Tunik, for £94,500. The pastel, which shows

Racing, Page 25

three young dancers, was executed in 1879 and came from the collection of Mr. and Mrs. Moorhead C. Kennedy. It had been estimated to fetch between £60,000-£70,000.

Another painting completed in 1879—a colourful picture of the Berard children, by Pierre Auguste Renoir, entitled La Fete de Pan—was bought by the Arthur Murray School of Dancing in New York for £63,000, just below the £70,000-£90,000 estimate. The same buyers acquired a Manet, Scene d'Atelier Espagnol, for £12,600.

Other Impressionists to sell reasonably well were a Renoir, La Terrasse; Madame Renoir à Cagnes, which made £30,450; a Georges Rouault, Soleil d'Hiver, £18,900; and a Utrillo, £17,850. A still life by Giorgio Morandi went for £13,650.

There were problems among the Moderns, and two of the most unusual works, a Claes Oldenburg picture showing four ices in a glass case in various stages of being eaten, and a John Kacere painting of a young girl's bottom, were bought in at £9,450 and 5,040 respectively. A Kenneth Noland, entitled A Memory of Gonzaleb, went for £9,450, however, and two paintings by Vasarely for £4,725 and £4,200. A Spanish buyer paid £5,040 for Noire et Craie dur Carton by Antoni Tapies.

The Belgravia saleroom of Sotheby's held its main summer sale of Victorian paintings with mixed success. There were some very high prices among the medium works, but the two most highly regarded paintings proved disappointing. A good work by Richard Dadd of fairies—completed just before he went mad and killed his father—was bought in at £9,000 (the estimate was £10,000-£20,000) and a rather lugubrious oil sketch of The Stone Breaker by Henry Wallis went for just £1,200, against a forecast of £10,000-£20,000.

The Wallis picture was interesting, historically, since this is a sketch of a larger painting in the Birmingham Art Gallery and its existence was unknown until it was recently brought into the saleroom. The high estimate was perhaps influed by the £18,000 paid for the better-known Chatterton of Henry Wallis in November 1972. The Stone Breaker was bought by Benny Gray, a well-known figure in the property world.

Among the successes in a sale which realised £166,865 were The Falconers, by Heywood Hardy and John Varley, which sold for £7,300 to Richard Green. The price was about four times the pre-sale estimate, perhaps because of the Middle Eastern subject matter, which shows an Arab with falcon, servant and dogs.

Other good prices were the £5,000 paid for a Burne-Jones portrait of Cecily Horner, circa 1895. It had been estimated at £1,500-£3,000. A pair of paintings by William Bromley entitled Bird's Nesters and The Country Ride went for £4,000 (over twice the forecast), and a John Atkinson Grimshaw view, Figures in a Moonlit Lane, fetched £3,800, also above forecast.

There was an interesting commentary on the trend in prices at a successful Sotheby's sale of English pottery and porcelain which totalled £35,844. A rare Chelsea acanthus leaf cream jug of 1745-50 was bought by Firminger for £2,300, or roughly twice its estimate. The same jug had sold at Sotheby's for £820 in 1964, but only £520 in 1966, showing that buying art for investment only is a precarious business.

A rare saltglaze figure of a piper of the same period was sold for £2,000 (estimate £800-£800), and a Worcester yellow scale saucer dish of 1765-70 also doubled its forecast at £1,600.

Soleil, après-midi, la rue de L'Epicerie à Rouen, by Camille Pissarro, which was in Sotheby's auction last night.

GARDENS TO-DAY

Roses can provide thorny example of progress

BY ROBIN LANE FOX

IT IS hardly possible not to write or think about roses in the week in which they come to their best. Shrub roses with single flowers (Nevada and Golden Wines bear my repetition) and rambling roses with small clusters of double flowers (Bobbie James, Pompon de Paris) strike me as far more attractive than many rose-growers admit. I would almost say that I would choose them first of all if there were not such wonderful expanses of the pink double-flowered rambler Albertine on so many nearby walls, so vigorous and free-flowering that it remains my first choice for anybody who wants a huge cover of roses on a difficult wall.

For those who believe in progress and market forces the rose is at first sight a thorny example. The conviction that it could be improved took root in the great age of missionary religion and has been kept alive by commercial interests long after the old evangelical stock had withered away. Looking at a rose bed which I am now determined to banish to the back of my runner beans, I wonder how far the breeders' technical skill and patience and the nuserymens' generous support have led to any improvement.

Covered in mildew

This is not another of those pleas for roses which are patronisingly described as "old-fashioned." Against all logic I was tempted last year into planting a pink old rose called Blairi Number Two, raised by a Mr. Blair of Stamford Hill almost a century ago and still one of the richest and sweetest sprawling roses when it is in good health. Maybe you can spare more time for it than I can: it would be worth a long service as its globular flowers are extremely beautiful. But my plant is already covered in mildew where it is not showing signs of black spot. "This must be anticipated," remarked the grower from whom I bought it, "and early spraying may assist prevention." It is said that Blairi Number One was discarded by its breeder because it was unsuited to cultivation in gardens. I cannot help wondering what other vices had descended on it.

Neither in their colour nor their vigour do many of these "old-fashioned" roses seem to me to be worth the fuss which is made of them. But the modern replacements, now destined for a home with my vegetables, are probably a prime cause of the rose-growers' fashionable nostalgia. The hybrid tea is as prone to black spot and mildew as many of its predecessors. The floribunda is seldom scented in any way. The shape of the hybrid tea as a bush is unspeakably dull: it must be pruned to a few twigs for half the year. It has no hips and seldom any handsome thorns. Its height is as unpredictable as its suckers. Above all, breeders have picked on the harshest colours or, worse, some multi-colours and competed in the market for the most metallic colouring of the season, confident that the president of one or other rose-growing body will give them a trophy for achievement.

Leaf colour

Colouring, you may say, is a personal taste and carmine and vermilion are really very appealing. But consider the fate of the rose's leaf. Modern breeding of the more popular sort will have accustomed you to a monotonous and uncut rose-leaf, only varying in the degree of its purple flush. This, I think, is very sad and whatever the breeders may say in defence of their colours I do hope they will begin to wake up to the leaf's possibilities to which they have been so blind. Their neglect is not altogether surprising.

It is interesting how Aldous Huxley, when giving an over-blown account of his tedious experiences with drugs in the 1950s, harped on the fact that only under their influence did the leaves on rose-trees take on an "unexpected" beauty, as if this new perception would persuade his readers of the depth of his experience. If it needed such a dislocation to show him what should be obvious any[...] it is perhaps more intellig[...] that at the same date, pop[...] taste was solely diverted to [...] rose's flower, while the eleg[...] of the ferny leaf of the wi[...] varieties was not conside[...] desirable. Could we not [...] have a trophy for new r[...] which judged the effect of [...] whole bush, not just a si[...] flower on a show-bench?

Good moderns

If you wonder why I g[...] roses at all, you will notice [...] I qualify remarks on its "thc[...] example" by the words "at [...] sight." Among the orange-ye[...] multibunda Sarabandes, t[...] are some admirable new [...] tures which must not be o[...] looked. There are the mo[...] shrub roses, from the glor[...] Musks to the newer rugo[...] these combine old and new [...] tues without undue dis[...] There are the low-growing v[...] tions on the hybrid floribu[...] whose soft colours fit into [...] front of a border where t[...] dull leaf and shape can be [...] den by massing.

Roses like "Chanelle" or [...] admirable "Gruss an Aach[...] are an encouraging recent [...] velopment. The hybrids ra[...] by David Austin of Albrigh[...] Wolverhampton are another: [...] famous Constance Spry [...] Wife of Bath, a subtle colou[...] cream-pink, combine the o[...] and newer qualities of flo[...] if not of outline. Maybe [...] next decade will see a fur[...] return to the elegant bloo[...] wild briar-roses.

Whenever black spot gets [...] better of my rose-beds and [...] seems too short for all its [...] gested "preventions" from [...] to compounds, and Jeyes flu[...] cannot help noticing that do[...] the road in the quickthe[...] hedges there are conten[...] single dog-roses with pink a[...] white flowers and grace[...] leaves, no trace of sickness [...] of pruning done by handboo[...] Cannot those breeders t[...] more interest in them a[...] somehow bring more of th[...] virtues back inside my gar[...] fence?

TV/Radio

† Indicates programme in black and white.

BBC 1

10.55 a.m. Cricket: Benson and Hedges Semi-final, Leicestershire v. Hampshire. 1.25 p.m. News. 1.30 Camberwick Green. 1.35 Wimbledon Lawn Tennis Championships. †4.23 Regional News (except London). 4.25 Play School. 4.50 Z-Shed. 5.15 Yao, African Prince. 5.40 Captain Pugwash.

5.45 News.
†6.00 Nationwide.
6.15 Wimbledon Tennis.
6.50 The Wednesday Film: "Take Me To Town," starring Ann Sheridan and Sterling Hayden.
8.10 Survivors.
9.00 News.
9.25 Captive Audience.
9.55 André Previn's Music Night.
10.50 Midweek Special.
†11.28 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.30-1.45 p.m. Nant-y-Pant. 5.15-5.35 Maldwynaldwyn. 5.35-5.45 The Clangers. 6.00-6.15 Wales To-day. 6.50-7.20 Heddiw. 7.20-8.10 Star Trek. †11.28 News of Wales.

Scotland—9.55-10.05 a.m. Wacky Races. 10.05-10.30 Robinson Crusoe (film series). 10.30-10.55 The Record Breakers. 6.00-6.15 p.m. Reporting Scotland. 11.28 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.15 Scene Around Six. †11.28 Northern Ireland News Headlines.

England—6.00-6.15 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
1.40 p.m. Cricket: Benson and Hedges Cup semi-final: Leicestershire v. Hampshire.
4.15 Tennis and Cricket.
7.30 Newsday.
7.45 The Master Game.
8.10 The Ascent of Man.
9.00 The Poisoning of Charles Bravo.
10.20 Match of the Day from Wimbledon.
11.10 News Extra.
11.29 Closedown: Gwen Watford reads "The Romanies in Town" by Anne Beresford.

LONDON

†10.45 a.m. "Sail A Crooked Ship," starring Robert Wagner. 12.05 p.m. Yoga for Health. 12.30 Yak. 12.40 Rainbow. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Mr. and Mrs. 2.00 Good Afternoon. 2.30 The Royal Show. 4.25 Michael Bentine's Potty Time. 4.50 You Must Be Joking! 5.20 The Brady Bunch.

5.50 News from ITN.
6.00 A Town Called ... Harlow.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 ... And Mother Makes Five.
8.30 Marcus Welby, MD.
9.30 Rising Damp.
10.00 News.
10.30 Second Night.
11.20 Miss Mactaggart Won't Lie Down.
12.00 Bone of Contention.

All ITV Regions as London except at the following times:—

ANGLIA

11.45 a.m. The Royal Show. 1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Lassie. 6.00 About Anglia. 8.00 The Zoo Gang. 11.50 The Big Question.

ATV MIDLANDS

11.45 a.m. The Royal Show from Stoneleigh Abbey, Kenilworth. 1.20 p.m. Lunchtime Newsdesk. 5.20 ATV Today including Junior Police Five. 6.00 ATV Today. 8.30 Kung Fu. †11.30 Twilight Zone. 12.00 The Gospel in Song.

BORDER

11.45 a.m. The Royal Show. †1.25 p.m. Border News. 1.30 About Britain. 2.00 Houseparty. 5.20 Circus. 6.00 Border News and Lookaround. 11.30 The Adventurer. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Elephant Boy. 6.00 Channel News. 6.10 Wait Till Your Father Gets Home. 8.30 Barnaby Jones. 11.30 News and Weather in French followed by Epilogue.

GRAMPIAN

11.45 a.m. Showjumping from the Royal Show. 12.35 p.m. Grampian News Headlines. 1.20 Lunchtime Call. 5.20 Out of Town. 6.00 Grampian News. 6.10 Farming News. 6.15 Love American Style. [illegible]

GRANADA

[illegible] Sesame Street. [illegible] Three Stooges. 11.45 The Royal Show. 1.20 p.m. This Is Your Right. 5.15 Gustavus. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Firehouse. 8.30 The Collaborators. 11.30 The Baron.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Orbit 5. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Cuckoo in the Nest. 8.30 Police Story. 11.30 Gilbert and Sullivan For All.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.45 a.m. The Royal Show from Stoneleigh Abbey, Kenilworth. 1.25 p.m. Road and Weather Report. 5.20 Kiri. 5.25 Crossroads. 6.00 Scottish News. 6.05 Without a Song. 6.20 Isabel on Wednesday. 8.30 The Collaborators. 11.30 Late Call. 11.35 At Your Request.

SOUTHERN

11.00 a.m. Yoga for Health. 11.20 Porky Pig. 11.30 Hammy Hamster's Adventures on the Riverbank. 11.45 The Royal Show. 1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Dodo. 5.25 Crossroads. 6.00 Day by Day. 8.30 The World of Television. 9.00 Hawaii Five-O. 11.30 Southern News Extra. 11.40 Orson Welles Great Mysteries.

TYNE TEES

12.35 p.m. Starting Point. 2.00 Women Only. 5.20 Woody Woodpecker Show. 6.00 To-day at Six. 8.30 The Tommy Cooper Show. 11.30 Late News Extra. 11.35 O Susanna.

ULSTER

1.20 p.m. Ulster News Headlines. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 Summer Reports. 8.30 Griff. 11.30 The World of Model Railways.

WESTWARD

11.25 a.m. Yoga for Health. 11.50 Survival. 12.15 p.m. Around the World in 80 Days. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Elephant Boy. [illegible]

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Out of Town. 6.00 Calendar. 8.30 The Tommy Cooper Hour. 11.30 Look Ahead.

RADIO 1 247m

(S) Stereophonic broadcast [illegible]

RADIO 2 1,500m and VHF

[illegible]

RADIO 3 464m, Stereo & VHF

[illegible]

RADIO 4 434m, 330m, 285m and VHF

[illegible]

BBC Radio London 206m and 94.9 VHF

[illegible]

London Broadcasting 261m and 97.3 VHF

[illegible]

Capital Radio 194m and 95.8 VHF

[illegible]

F.T. CROSSWORD PUZZLE No. 2,818

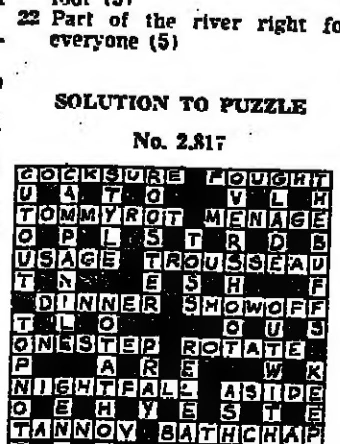
ACROSS

1 Dad includes an idol in the temple (6)
4 Airline has ancient art inside to bring us wine (6)
8 The others I've followed in uneasiness (7)
9 Artisan is upset by the singer (7)
11 Youths fall over in their drinks (10)
12 A type of sugar used by the intelligent (4)
13 An oath with adhesive suggestions (2, 3)
14 It may be shocking to return the Irish Police (8)
16 Burlesque effort about a garment (8)
18 Looks a horse in the face—the infidel (5)
20 Just where Johnny was so long delayed (4)
21 Right in the middle of a dull community (4, 6)
23 Meantime I'm stuck with the exam (7)
24 "To the high —— where kindly Death keeps his pale court" (Shelley) (7)
25 Doctors include stern outlines (6)
26 Zealous-sounding styptic (6)

DOWN

1 Tuck to digest after a record upset (5)
2 "And with all thy — get understanding" (O.T.) (7)
3 They give safe illumination down under (4-5)
5 Muhammad is bound to like the pseudonym (5)
6 Red coterie gets Charles inside (7)
7 Volkswagen flower? (9)
10 The advent of Christmas is so acknowledged with thankfulness (4, 1, 4)
13 Came to terms, revealed the advantage within it (9)
15 Get the worker to wait with child (9)
17 The girl is coming round the mountain with a plant (7)
19 The flower for a fellow Scot (7)
21 Trend of the G.P. with one foot (5)
22 Part of the river right for everyone (5)

SOLUTION TO PUZZLE No. 2,817



امكان الأصل

Peter Bennett and David-Dixon in Stephen Poliakoff's new play 'Heroes,' which opened at the Theatre Upstairs last night

Elizabeth Hall

Festival of Arts of India

by MAX LOPPERT

The explosion of colour and enchantment capable of piercing even Elizabeth Hall gloom has begun its fifth annual season, and continues tomorrow (before moving next week to a location even more urgently in need of good cheer, the Round House). If Monday's recital of Bharata Natyam, Kathakali and Manipuri dancing, and instrumental and vocal solos, was in general less uproarious, more devotional, in tone than the start of last year's Festival, that may have been in the nature of the music and the material performed; for the artists unfolded their numbers almost equally as brilliantly as this enterprise has led us to expect.

The overall presentation was instructive, with a spoken introduction before each number, which may perhaps have curbed the atmosphere freely flowing from performer to audience a little, but which helped to leave no outsider completely on the outside. It was useful, for instance, before *Tillana*, the exhilarating, highly complex dance duet for V.P. and Shanta Dhanajayan that closed the first half, to have in mind the difference between it and the hieratic temple-dance manner of the earlier Manipuri duet by Darshana Jhaveri and Shantibala Devi, with the sways and eddies of their hands, their way of drawing the eye along to the crimsoned point of a finger. Between the two came the solo Pung Dance given by Bir Mangal Singh, in which the drummer simultaneously played and flung his instrument (Pung is the conical Manipuri drum) in whirlpools around his body, until eye and ear were hypnotised. This, and Mr. Dhanajayan's ferocious Kathakali mime of bestial violence and cunning in the second half, were the high points of the evening.

The musical interludes were similarly varied and balanced. Maniprasad, the Delhi singer who has a Western ear marvelling at the vastness of his range (an organ-pedal D in the bass to the G more than two octaves above, by my reckoning) and at his relaxed tone throughout its length, sounded as though inspiration were just a little lacking in his single solo. In the raga by the sitar-player Indranil Bhattacharya, one was perhaps more interested in the "harmonic" surprises of the Rag Marwa than overwhelmed by the melodic subtlety of individual turns of phrase—but amplification, a potential hazard throughout the evening, may have unbalanced the tone of the instrument as actually heard. As a finale, ensembles of all the instruments, and dancers had co-ordinated—a novel idea that might have worked even more enjoyably with more time given to the expansion of each individually contrasted musical and dance entry. The problem with such evenings is that one wants them to go on indefinitely.

Coliseum

Spanish Dance

by CLEMENT CRISP

The first half of the National Dance Company of Spain's programme is — for old Spanish dance hands — quite unexpected, and quite excellent. The music, much of it in Zarzuela style, falls pleasingly on the ear and is well performed by an anonymous orchestra. The items are short, well shaped in choreographic outline, and given with considerable brio and style by a large and splendidly drilled ensemble. Not one guitar twangs inexorably from tonic to dominant: nor is there one quarter-tone yowl from a flamenco vocalist: it is not the predictable fare of most Spanish troupes, but an agreeably planned survey of Spanish styles, danced with precision and considerable bravura.

Two stars shine in a couple of numbers: the elegant and fiery Mario La Vega and the beautiful and dramatic Maria del Sol, both of whom are artists of considerable technical brilliance. The company has one further star: Antonio, who makes a single carefully staged appearance in the Gypsy dance from *La Vida Breve*.

But with the second half of Monday's opening programme, we are back on much more familiar and well-stamped territory. Antonio appears in his own version of *El Amor Brujo*, a none too happy realisation of the Marinez Sierra/de Falla ballet. The score is magnificent, but its dramatic and choreographic structure are less than compelling, and Maria del Sol as Candelas and Mario La Vega as her spectral lover (Antonio is Carmelo, Candelas' gypsy suitor) can do little to redeem matters. Thereafter, the evening is devoted to guitars, the gargled entreaties of Flamenco singers, and a good deal of dust raised by heels drumming the stage.

Mario La Vega is tremendous in Farucca, body superbly arched, and Antonio's own *Baile por Cana* finds him wonderfully resourceful in rhythm, especially in the sequence of encores which his adoring public demand. The company show themselves infinitely willing to clatter and stamp and clap, but it is the first half of the entertainment that makes the best and strongest impression.

Arts news in brief

As a prelude to next year's American bicentennial, a major exhibition entitled *The World of Franklin and Jefferson* will open for two months in London at the British Museum on Wednesday, September 17.

The exhibition, created and designed by the office of Charles and Ray Eames, spans 120 years of American history (1706-1826), from the American colonial experience and its European heritage, to the point where the young nation moved westward. It contains artifacts, paintings, manuscripts, photographs, reproductions and other reconstructions illuminating the era of Franklin and Jefferson and its relevance to society to-day, and the continuing significance of the concepts of America's founding fathers.

The First International Antique Dealers' and Art Galleries' Exhibition will be held at the International Sporting Club in Monte Carlo from July 25 to August 11, under the patronage of Prince Rainier and Princess Grace. There will be a gala in the Salle des Etoiles on Saturday, August 2.

Hollywood actor Henry Fonda will appear on the London stage for the first time in the Broadway production of Clarence Darrow, by David W. Rintels, adapted from Irving Stone's book.

The play (of which Mr. Fonda is the only member of the cast) opens on July 16 at the Piccadilly Theatre, London, for a season of ten weeks. There will be previews on July 14 and 15. The director is John Houseman.

Marcel Marceau, the French mime, returns to Sadler's Wells Theatre for a second visit on August 11. Marceau's last appearance at Sadler's Wells was in 1972 when he played to capacity business, transferring to the Piccadilly Theatre for a further two weeks.

Marceau comes to London following a season in New York and his Sadler's Wells programme will have a number of new items. He will be assisted by Pierre Verry.

Television

"When we have matched our rackets to these balls"

by CHRIS DUNKLEY

Who is it, I should like to know, who has the job of ensuring that the bottles of Robinson's Barley Water on the base of the umpire's chair in the Centre Court at Wimbledon are always turned so that the labels face straight into camera? Hardly the most significant detail, you may think, about the television coverage of the championships—which opened ominously with Dan Maskell in the first hour of the first day reduced to discussing the quality of the covers, but ended with a series of attendance records.

There were at least as many upsets and disappointments as usual, with seeds being dismissed early by players virtually unknown to the layman, and most of the British players being knocked out in the first few days. Yet the labels on those bottles of fruit juice seem to me to be a more accurate and apposite symbol of televised Wimbledon these days than any picture of stacked rackets or for that matter the tennis ball logo used by "Radio Times." The bottle labels are advertising. They are there, and facing front, to make money and there is an increasingly strong feeling that this is why most of the players are there as well.

In fact the feeling is, at times, overpowering. It is quite impossible to believe that there is no connection between the sudden increase in the earning power of to-day's top tennis players, and the simultaneous increase in petulance, not to mention sheer bad temper, with which points are disputed. It has taken Jimmy Connors just two years to become a millionaire, and according to Christopher, and Shirley Brasher our very own Virginia Wade "must be the highest paid woman in Britain—more than £50,000 this year" outside show business. Now Billie-Jean King, who seems to have had as much as anybody to do with the pushing up of prize money and who is another millionaire, is showing the next logical step for top players to take: she has her own *Billie-Jean King Show* on American television. Connors is arranging to make records with Paul Anka.

Several times I have seen it suggested that none of this has any bearing on the way that the players behave at Wimbledon, because—it is said—the prize money here is so low (speaking comparatively, I assume) that it hardly covers costs for the major players coming from abroad. Therefore, says the argument, it is clear that the players still compete at Wimbledon for glory alone, and it is the last major tournament at which commercial interests are really of no importance. This might be convincing were it not that Wimbledon is still one of the world's greatest tennis showcases and therefore one of the most vital places for all those contracts with racket and sports shoe makers to be honoured.

This is important in the question of television coverage not simply because of the pricelessly valuable advertising which the BBC finds itself conveying (unpaid) to millions of viewers like a pig powerless to avoid feeding a tapeworm; it is important because once you are aware that the players on screen are just another part of show business, it becomes extremely difficult to consider them in any other light. Thus instead of sympathising with Virginia Wade on Monday as she faced Evonne Cawley (née Goolagong) it was all too easy to start criticising her — for the brusque nod accompanied by a frown which indicated to a ballboy that she wanted another ball; for the extraordinarily graceless round-shouldered crouch — topped by another frown—which she adopts to receive service; or for the rarity of the baring-of-the-teeth which passes for a smile.

(To Anne Jones who has been providing summaries between Dan Maskell's commentaries on the games I would suggest "mirthless grin" as a handy way of describing these grimaces; it should fit comfortably among the other phrases such as "sheer dogged determination" and "a punishing forehand" which the lady has been using to give the proceedings a distinct air of *Girls' Crystal*. There was a moment on Thursday when Miss Jones actually said: "The question is now, she's held her service once—can she hold it again? . . . Now it's a do or die effort.")

My feeling is that if the players are going to be paid show business money then they had better acquire a few show business techniques such as grinning and bearing it when things go wrong, instead of lunging about the court glowering at the line judges. Nor do I suffer from the delusion which is apparently shared by all the commentators that Nastase has already mastered all the show business techniques that he needs and is "a great entertainer." To see him, as we did on Wednesday, stamping his foot like an irritable little girl when his opponent's shot was not called out, and then to watch him smashing his racket when the line judge and umpire stuck to their guns, was to confirm the suspicion of earlier years that if the man ever was a great entertainer he was growing into a great bore.

Connors without much advertising

And yet, in spite of all this, it would be quite wrong to suggest that I have not enjoyed Wimbledon this year: the luxury of being able to sit at home and watch, in colour and in "real time" as the games are played on the other side of London, is something which still pleases and astonishes me. (I wonder and doubt whether it will astonish my children who, unlike me, will have grown up from earliest babyhood with television.)

There is even one team of people involved for whom I have unadulterated admiration: those who mount and run the BBC's outside broadcast operation. With film and videotape accounting for such a large majority of television programmes nowadays it is necessary to keep reminding oneself on those rare occasions of live broadcasting such as Wimbledon that nobody has had any chance to re-shoot or to cut or edit any of the programme (not usually, anyway). When Rosie Casals is serving and the action cuts on screen just at the moment when her racket is descending on the ball to a reverse angle showing Lesley Hunt in the fraction of a second before she receives it, one has to remember that the superb "fit" is not the result of an editor working in a cutting room with two bits of film and splicing them at precisely the right frames—it is the result of the director in the BBC's control gallery calling the shots very precisely from four cameras while the game is actually happening.

In Britain we are now so accustomed to this being done supremely well that we simply don't notice it any longer. Only when we are obliged to take a shared service from some major event abroad does it occasionally become clear by contrast what an extraordinarily high and consistent level of work is maintained by British production crews.

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One of the great attractions of tennis, particularly for non-players and particularly on television, is that it is always very easy to understand who is winning. This is true also of snooker which is experiencing a national renaissance following the success of *Pot Black* on BBC 2. It is not, however, true of chess, and if anybody at the BBC thought that *The Master Game* might do for chess what *Pot Black* did for snooker, they will have to think again.

Where David Nixon's late night chess series for ATV, *Checkmate*, has been relaxed, chatty and charming—and highly informative—the first episode in BBC2's *Master Game* series was ruinously complicated and pretentious. A combination of electronic arrows with St Vitus's Dance, dubbed commentary from the players of the comic strip "thinks" bubble variety (full of just the sort of thing you are always saying to yourself—such as "this is no time for recrimination . . .") and portentous musical accompaniment, it succeeded only in conveying a feeling that those who made the programme believe that chess is terrifically complicated.

Berliner Theatertreffen

From Shakespeare to Ionesco

by RONALD HOLLOWAY

With the stops pulled out to ·shion West Berlin into a cultural oasis between East and ·est, and the International ·eatre Institute (ITI) holding 16th World Congress here— ·9 delegates from 49 countries: ·e first bonus of the Four ·wers Agreement on this ·ided city—to offer an extra ·amatic attraction, the Berliner ·eatertreffen rose to the occa·n to embrace its public in ·nd, democratic style.

·en internationally familiar ·ks from Shakespeare to ·esco, save for one lone, contemporary, East German author ·ut through the bias—regret·y, however. Frank-Patrick ·kel's production of Heiner ·er's *Der Lohndrücker* at ·t Berlin's Schaubühne am ·schen Ufer was one of two ·s that could not be resur·d or transposed in time for ·estivities.

·e Theatertreffen in the past ·manifested a recurring bias historical, international ·re, a fault understandable ·ght of the isolated city's ·ant for delighting in outguests. But seldom has its ·ard for highlighting ·arkable new trends" over ·ast year on the German ·e scene—West Germany, ·ia and Switzerland, exclud·the German Democratic ·lic—been more abused ·his time around.

· ten-man jury voted in ·display and heavy-handed ·e licence over directorial ·y for its own sake. Indeed, ·ering the stature of a ·ent handful of left-outs in ·rison to half of the eight ·tions chosen, and the ·versy erupting around the partiality for a single city broad landscape (three stamped in the Bochum of Peter Zadek's Volks·, the Berlin Theatre ·g nursed, night after ·a swell of enraged *ennui* soul.

· season couldn't, by any of the imagination, have ·s bad as this. In fact, it ·ll above the average, as ·gramme booklet's list of proposed and discussed" ·ions readily indicated. ·muel Beckett production *Waiting For Godot* at the ·-Theater is masterful, world festival (and it ·be invited elsewhere) abstract from the West miseries surrounding it ·y, a play director and ·rg parted company with ·nt Lietzau in a huff) to · it in its own right: an invitation to break the fetters linking Western man to a dead culture and face freely the anachronisms in Christian existence.

Similarly, one of the Thomas Bernhard productions of *The Hunting Party* in Berlin, Vienna or Basle would give a provocative new playwright his just due, and to place him next to his leading counterpart in the East, Heiner Müller, would reap its rewards, both internationally and locally. As for "remarkable new trends," Hansgünther Heyme's approach to Goethe's difficult *Egmont* and Roberto Ciulli's revitalised, realistic look at Georg Kaiser's *From Morn to Midnight*, both passed over, placed Cologne on the map this season. In addition, Stuttgart and Frankfurt, two other prominent centres of creativity (with many of the accompanying woes), had stronger productions to offer than those selected. And Luc Bondy's poetic production of Horvath's *Faith Love Hope* fell too easily by the wayside in an obvious preference for the showy and the heavy-handed. The jury would have done well to hold a Press conference.

Five of the 10 selections have been reviewed on these pages: Steckel-Müller's *The Wage Earner*, Stein-Gorky's *Summer Folk* (I titled it then *The Vacationers*, and the German reads *Summer Guests*), Kirchner-Ionesco's *The Bald Soprano* (with *Clown Numbers*), and Peter Zadek's *King Lear* and *The Wild Duck*. The *King Lear*, stamped in the Bochum mould of Volks*theater*, met with a cascade of hoots and hoorahs as the curtain came down at the Freie Volksbühne, Piscator's old stamping grounds, followed by a short-circuit in the lighting which plunged the visiting ensemble into darkness.

Zadek supporters took pains to cite the *Jahrmarkt* quality of the production, but his freedom with the classics seems rather to challenge accepted interpretations with magnificent amateur theatrics and a huge shrug: if Lear is a last-ditch scaling of a mountain top, we have a carnival king striding through a swamp; if *The Wild Duck* is a tragic-comic attack on sham Ibsenism, then Hjalmar Ekdal is turned loose like a busted windmill in the guise of the dramatist. Ulrich Wildgruber in both roles has the charm of a lumbering, stage-struck groundling at the Globe Theatre.

The Bochum production of Lorca's *Dona Rosita the Spinster* (*Dona Rosita bleibt ledig*), under Augusto Fernandes's direction, fared slightly better with the public.

The stage design (Fernandes and Hans-Peter Schubert) with its candle-light bulbs and reflecting mirrors, the costuming and lighting as well as an arresting prologue of women in white linen flitting silently through decorative space, promised a delicate, light hand in keeping with Lorca; then "The Language of Flowers" (the play's subtitle) gave way quickly in the first act to the familiar Bochum tonefalls and the turn-of-the-century milieu evaporated in the embrace of a 1920 Berlin salon, replete with piano player.

But not even Erwin Bootz's atmospheric tickling of the keyboards could uplift the song-and-dance number of Dona Rosita (Hannelore Hoger) and her lover, who attacked the scene like a pair of Disney's frustrated dwarfs. In contrast, the earthy manner of the housekeeper (Rosel Zech) and *real* conversation between the uncle (Hans Mahnke) and a rejected suitor (Wolfgang Feige as Professor X) were a welcomed relief.

Brecht opened and closed the festival: Hansjörg Utzerath's *The Threepenny Opera* (Düsseldorf) coaxed audience involvement with seats on the stage and hat collections by Peachum's beggars, but a tin ear for Weill's music washed everything overboard; while Hans Neuenfels's *Baal* (Frankfurt) arrived at a teasing synthesis of the five previous versions, a sort of Brecht-on-Brecht review of expressionist drama.

Peter Stein's *Summer Folk* is also an adapted version of Gorky's play from original and related source material, uniquely conceived with a camera on the shoulder: the Schaubühne ensemble of a dozen actors move across an enveloping set from the vacation house's interior to the verandah to a birch grove, the action constantly overlapping with characters emerging and fading into perspective in subtle interchanges of mood. Paradoxically, the play is now being shot under Stein's direction in a Regina Ziegler production on the Pfaueninsel in West Berlin's Lake Havel: he's using artificial light at night to heighten the "dramatic" mood.

Rudolf Noelte's equally unique vision of Molière's *The Misanthrope* (Hamburg Schauspielhaus) is a repeat of his Salzburg production two summers ago; a pessimistic but elegantly conceived exposure of the haughty mores of the upper classes via a ruthlessly demanding, narrowing, enclosed set to highlight hidden thoughts and emotions. The male protagonists, Will Quadflieg as Alceste and Werner Kreindl as Philinte, suit his purposes admirably in capturing nuance in word and expression, but the monotones of the female leads wear on the nerves to mar the peculiar effect of a fickled society of egoists talking past one another.

This discordant note rose in volume as the manager of the Hamburg Schauspielhaus, Ivan Nagel, was pushed by Noelte to push Theatertreffen director, Dr. Ulrich Eckhardt, to stop selling the programme booklet under pain of withdrawing the production just before it was due to hit the boards. In a pro-and-contra format mirroring the opinions of the jurors on each selection, the single contra vote, Dr. Irma Voser of the Neue Zürcher Zeitung, expressed much the same opinion. Since the festival had nearly run its course and every interested party had a copy of the collective programme, Eckhardt chose to save the production.

Ivan Nagel, in his acting position of host president of the ITI Congress, pointed to the Theatre of Nations (immediately following in Warsaw) as a sort of future Olympic Games of the theatre. He could just as easily have praised the international show of theatre combined with pantomime, dance and music at the Akademie de Künste, running parallel with the main event: a small Olympiade played host to the world. Packed houses greeted such widely divergent performances as Cirkus Alfred (Czechoslovakia), with uproarious clown numbers; Teatr STU (Poland), a song-and-mime collage on the Phoenix to the East; the contemporary music-and-dance programme, sometimes satirical and sometimes absurd, of composer Anatol Vieru and choreographer Miriam Raducanu (Romania); the stunning ballet acrobatics of Vermont's Pilobolus Dance Theatre (U.S.A.); and the razzamatazz hi-jinks of The Angels of the Light (U.S.A.).

On the boat ride on the Havel one sunny afternoon, I asked colleagues from the International Theatre Institute where they had been in particular. To Beckett at the Schiller-Theater in the West, and to Manfred Wekwerth's *Richard III* (now in its third year) at the Deutsches Theater in the East. For a brief moment Berlin was truly the theatrical capital of the world.

The Entertainment Guide is on Page 25

WORLD TRADE NEWS

Nissan, Toyota to finalise Australian car engine deal

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, July 1.

NISSAN and Toyota, the two leading Japanese motor manufacturers, are to send letters of intent to the Australian Government later this week undertaking to establish a joint venture company with Chrysler (Australia) for the manufacture of car engines at Chrysler's plant in Adelaide, South Australia.

The three companies will each, probably, hold a 30 per cent. stake in the joint company with the remaining 10 per cent. to be held by the Australian Government. Most of the outstanding problems connected with the joint venture project were settled at talks held yesterday and to-day in Tokyo between the motor manufacturers and Australian Government officials. Australia was represented by the Permanent Secretary of the Department of Manufacturing Industry, Mr. Neil Currie.

The proposal that Nissan and Toyota should build engines at Chrysler's Adelaide plant was raised late last year by the Australian Government after the rapid rise in direct exports of Japanese cars began to cause problems in Australia. The plan forms part of a move to encourage Japanese companies to switch from exports to local manufacture which was given added force early this year when Australia imposed strict import quotas on cars.

Toyota and Nissan will aim to produce cars with 85 per cent. locally-manufactured content by 1980 under the provisional terms of the agreement with Australia. These cars will be regarded as being of Australian domestic origin and will not be affected by import quotas.

This week's talks in Tokyo were the third in a series which began in May in Tokyo and continued last June in Canberra. The speed with which problems have been sorted out suggests considerable pressure on the Japanese motor industry to accept the Australian Government's proposals for local manufacture or face virtual exclusion from the Australian car market as a result of continuing strict quotas on car imports.

Another sign that Japan regards the Australian situation as unusual has been the willingness of Nissan and Toyota to work together, something that has apparently not happened before in the history of the Japanese motor industry. The two companies are strongly competitive with each other and have normally been rivals in their overseas operations as well as in the Japanese market.

Australian officials indicated to-day that although outstanding issues between the Australian Government and the Japanese motor industry had been settled some problems still have to be sorted out between Chrysler and the two Japanese companies. The President of Chrysler (Australia), who was not involved in to-day's talks, is due to hold an "informal" meeting to-morrow with Toyota and Nissan senior executives. One question to be settled is whether or not the joint company should produce six-cylinder engines for Chrysler cars as well as four-cylinder engines for Toyota and Nissan models.

Iran chooses suppliers for petrochemical plant

TOKYO, July 1.

MITSUI, the major Japanese trading firm, said yesterday that Iran Japan Petrochemical has nominated five Japanese concerns to provide plant and equipment for a major petrochemical complex to be built in Iran.

The complex, being undertaken as a joint Japanese-Iranian venture, is estimated to cost about Yen 550bn. Mitsui declined to estimate how much of that might go to equipment to be purchased in Japan.

The companies include Toyo Engineering, Mitsui Shipbuilding and Engineering, Chiyoda Chemical Engineering and Construction, and Hitachi Shipbuilding and Engineering.

Nihon Keizai Shimbun, an economic newspaper, said Toyo Engineering would provide a naphtha cracker capable of producing 300,000 tons of ethylene per year, benzene, xylene and polypropylene production facilities, and various utilities such as power and water plants; Mitsui Shipbuilding would provide high and low-density polyethylene facilities and a caustic soda plant; Hitachi Shipbuilding with vinyl chloride monomer and ethylene dichloride facilities, and Chiyoda Chemical with LPG, butadiene and paraxylene derivative plants, and a tank yard.
AP-DJ

U.K. trade with GDR slips back

By Leslie Colitt

BERLIN, July 1.

U.K. TRADE with East Germany, which doubled in 1974 to £84m., fell in the first five months of this year. The downturn is being shared by major Western trading partners of the German Democratic Republic.

U.K. exports up to the end of May were £14m. compared with £18m. in the same period last year. Imports from the GDR were £15.63m. as against £18.19m. in the first five months of 1974.

The British Embassy in the GDR calls the results "disappointing," but says they could be explained by some "projects stuck in the pipeline." The GDR's recently released statistics for overall foreign trade last year show the U.K. has become that country's third largest Western trading partner after West Germany and the Netherlands. The GDR figures however give turnover with the U.K. as 1.604bn. Ostmarks, the equivalent of about £191m. The gap between this and the amount recorded by Britain is largely accounted for by the GDR's inclusion of its purchases on the London metals exchange.

East German figures reveal yet another anomaly. They show that the share of GDR trade with Comecon countries dropped from 68.7 per cent. in 1973 to 64.1 per cent. last year. The share taken by Western countries rose from 27.9 per cent. to 30.9 per cent. in 1974 while developing countries made up 5 per cent. last year compared with 3.4 per cent. in 1973.

Officially however the GDR has said trade with Comecon over the past year was 70 per cent. of total turnover based on "real volume"—that is taking into account the higher price rises for Western products.

GDR Foreign Trade Minister Horst Soelle met yesterday in Moscow with his Soviet counterpart Nikoli Patolichev for what was officially described as "discussions on mutual deliveries of goods for 1975 and the prospects for trade and economic co-operation."

JAPAN MAKES GUYANA LOAN

By Our Own Correspondent

GEORGETOWN, July 1.

THE JAPANESE Government has made its first grant to Guyana in the form of a loan of \$G2.5m. (£479,000) for the government's fishery development project. It involves large scale wharfing and cold storage facilities, processing and packaging plants and an increase in the State trawling fleet to 100 vessels. For several years Japan has operated several trawlers in Guyana waters, mainly to catch prawns which fetch high prices in the U.S.

Japan TV market brighter

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, July 1.

A SHARP RISE in domestic deliveries of colour television sets contrasts with the prevailing gloom elsewhere in Japanese industry after 18 months of the economy's worst post-war recession.

This is apparent from the May figures for the industry which have just been published by the Electronic Industries Association of Japan. Total May deliveries of colour TV sets were up 14.3 per cent. on the previous month to a total of 631,000 sets, and domestic deliveries alone showed a rise of 20 per cent. Colour TV deliveries were at very low levels early in 1975 but recovery started in the spring and the May figure was the third month to show a rise over 1974.

The industry's relatively healthy state was dramatised recently by the announcement that Sanyo Electric, a major electronics manufacturer, is recruiting 300 new workers to help increase output to meet an order for 100,000 sets from Sears Roebuck. Major manufacturers, however, are not as optimistic about the present or the future as the delivery figures might seem to warrant.

One reason for the industry's coolness is that the pattern of domestic demand for colour TV sets is shifting towards the smaller and cheaper end of the market, with the result that the value of deliveries is rising more slowly than the total number of sets. Nowadays only 30 per cent. of sales are to families acquiring a colour TV for the first time, while 40 per cent. go to families already owning one set, and the remaining 30 per cent. are accounted for by replacements.

The other reason why colour TV manufacturers are playing down the recovery is that retail sales of TV sets, as opposed to manufacturers' deliveries to retailers, are rising relatively slowly. Deliveries to retailers had to be cut back very sharply while excess stocks were being siphoned off. Now that this process is complete it is regarded as natural that deliveries should be increasing.

Manufacturers estimate total domestic deliveries this year at between 5.3m. and 5.5m. sets, compared with last year's figure of 5.1m. and the previous year's record level of 6.5m. sets. Exports are expected to be at or below last year's level of around 2.3m. sets.

Chinese market chance for British oil equipment

BY COLINA McDOUGALL

SELLING OIL equipment to China will be no California gold rush, but there will nevertheless be good opportunities for British manufacturers to provide specialised machinery. Mr. R. D. Clift, commercial counsellor at the British Embassy in Peking made this comment at a conference on China's oil industry and trade opportunities organised by the Sino-British trade council (SBTC) in Glasgow last week.

He envisaged the Chinese as possibly requiring for their onshore industry pumping equipment, advanced refinery plant including safety and fire-fighting equipment, pipeline and pipeline-laying equipment, tanker trucks and loading equipment. Existing pipelines in China could be doubled, he said.

On the offshore side, there could be opportunities to supply on-platform generators, cranes and modules, which could be built in Singapore to save freight costs. Off-platform equipment could include servicing vessels, loading buoys and aerial and marine survey equipment. In the wider context, the Chinese could be interested in power generation equipment, special steels and oil loading gear.

Mr. Clift pointed out that other countries, notably Japan, which has already supplied three drilling rigs and other offshore equipment, has been active in this field. The Chinese have recently made further inquiries from Japan for sea-bed excavators and undersea survey equipment. He quoted a report from Hong Kong that a French firm has a \$4.7m. contract to make an aerial survey of the Yellow Sea during 1975, while Canada is currently discussing the sale of \$7m. worth of equipment to China.

EEC-Israel pact starts

TEL AVIV, July 1.

ISRAEL'S new agreement with the European Economic Community (EEC) came into effect to-day, slashing tariffs on industrial exports by 60 per cent.

EEC tariffs on selected agricultural exports are also reduced by between 70 to 80 per cent. and duties on industrial goods will disappear completely by 1977. Kitchen utensils, television sets, furniture, chocolates and instant coffee are among EEC items which will be cheaper as a result of the agreement.
Reuter

AUSTRALIA LIMITS CLOTHES IMPORTS

By Kenneth Randall

CANBERRA, July 1.

AUSTRALIA will impose quantitative import restrictions on certain lines of clothing from China from to-morrow, following the breakdown of negotiations for voluntary restraint arrangements.

A Government announcement of the action to-night said the restrictions would run for a year. They are part of wider Government action to stabilise clothing imports in line with recommendations of the Textiles Authority within the Australian Industries Assistance Commission.

IN BRIEF

GATT talks delay

The current round of trade negotiations by the General Agreement on Tariffs and Trade (GATT) countries is unlikely to be completed before late 1976 at the earliest, according to U.S. ambassador Frederick Dent who is President Ford's special representative for trade negotiations. The original target date of 1975 had been outdistanced by delay in obtaining legislative authority for the U.S. Government.

Marconi order

The Crown Agents for Overseas Government and Administrations have awarded two contracts worth a total of some £1m. to Marconi Communication Systems (a GEC-Marconi Electronics company), for the supply of broadcast transmitters to Brunei. This follows a major order placed with the company in 1974 to supply colour television transmitters to that country.

Uranium equipment

Pittsburgh-Des Moines Steel Corporation has been awarded contracts to the amount of \$15.6m. to supply equipment for uranium enrichment. The contract was awarded by Union Carbide Corporation. Pittsburgh-Des Moines said that work is expected to be completed by 1977.

ECGD guarantee

The Export Credits Guarantee Department has guaranteed two loans totalling £36.4m. One was a £26.4m. loan, arranged by Hambros Bank for the Royal Bank of Scotland and Bank of Scotland, to help finance the building of a deep-water drill ship. The other is a £10m. line of credit which Midland Bank made available to Bank Handlowy Warszawie of Poland.

AMERICAN NEWS

Ford warns Israel: 'Time will run out in Mideast'

BY ADRIAN DICKS — WASHINGTON, July 1.

IN A FORTHRIGHT expression of American frustration at the Middle East deadlock, President Ford has served notice on Israel that the U.S. will be forced to recommend a "broad solution" in the region unless there is a "meeting of minds" between Israel and Egypt.

The President denied in an interview published by the Washington Post to-day that he had given any kind of ultimatum to the Israeli Prime Minister, Mr. Yitzhak Rabin, during their recent talks here. There are strong reports here that in fact the U.S. did put very strong pressure on the Israeli Government to make further concessions in the Sinai, and that the pressure was repeated in a stiff message which Mr. Ford handed last Friday to the Israeli Ambassador, Mr. Simcha Dinitz.

In his Press interview to-day, the President said that the U.S. would be able to tolerate "several months" more of the present stalemated situation, "but the unanimous view is that if we don't get results, time will run out and war will be almost inevitable."

Unless there was a "meeting of minds" between the Israelis and Egyptians, Mr. Ford went on, the U.S. would see no choice but to recommend the reconvening of the Geneva Conference. He carefully denied the suggestion that the U.S. would, in that event, decline to support Israel at the conference. But he did emphase that if the U.S. were to propose a "broad settlement" there it would be one intended to be "fair to all the parties."

This form of words comes only a few weeks after the Secretary of State, Dr. Henry Kissinger, went out of his way in a speech in Atlanta to stress that in the future the U.S. might have to look to all its interests in the Middle East, by which he clearly intended Israel to understand not only American-Israeli relations but those which the U.S. is trying so hard to forge with the Arab States, too.

President Ford's remarks, like Dr. Kissinger's, stay carefully away from any reference to specific differences over the next round in the disengagement process on the Sinai front. However, it is no secret that he and the Secretary of State have both been trying hard to persuade the Israelis to yield control of the strategic Giddi and Mitla passes in the Sinai Desert, as well as of the Abu Rudeis oil field. Washington was deeply embarrassed last week by the leak, apparently by the Israeli authorities, of maps supposedly showing the exact lines of disengagement that the U.S. has been proposing—though their authenticity was denied here.

In return, President Ford is believed to have offered Mr. Rabin some form of assurance for the security of Israel (if not a formal guarantee) as well as fresh supplies of up-to-date armaments. Egypt, meanwhile, might be willing to offer at least an informal promise not to strike first.

Treasury bills yield rises

BY GUY DE JONQUIERES — NEW YORK, July 1.

YIELDS ON U.S. Treasury bills rose sharply at the latest auction to their highest levels since early April, further underlining the recent hardening of short-term interest rates.

The Treasury announced yesterday evening that the average yield on 13-week bills increased to 6.009 per cent. from 5.665 per cent. a week previously, nudging the 6.021 per cent. level reached on April 7. The yield on the 26-week bill rose from 5.935 per cent. to 6.262 per cent., the highest since the 6.351 per cent. recorded on April 7.

These rises would seem to suggest that the Federal Reserve is continuing to apply the mildly restrictive monetary policy which it initiated about two weeks ago in an effort to slow the unusually sharp increase in money supply which took place during the spring and early summer.

The latest Fed statistics show that money supply narrowly defined (M-1) grew at an annual rate of 10.5 per cent. during the fiscal quarter ended June 18, or far faster than the 9 per cent. rate which the Fed has set as the upper limit of its target for the coming months. The bulge in money supply was accentuated by the distribution of about \$20bn. in Federal tax rebates earlier this year.

Last week, the Fed reported that the money supply declined slightly during the week ended June 18, the first fall after seven consecutive weeks of increase. This news raised hopes that the Fed would begin to ease monetary policy once again.

These hopes have not, however, been fulfilled so far, and similar expectations during the past fortnight have also been groundless. As a result, the market's fears of a reversal in the long slide in short-term interest rates have been compounded by uncertainty about the duration and precise degree of restriction of the FED's current policy.

The firming in interest rates has been particularly noticeable in the yields on Federal funds, which are the most closely-watched money market indicator since they are the first instrument to react to changes in Fed policy. Fed funds, which had dipped below the five per cent. level a few weeks ago, are now trading in the 5¾ per cent. to 6¼ per cent. range.

37,000 city staff sacked in New York

NEW YORK, July 1.

THE AXE came down at one minute past mid-night for hundreds of New York firemen, police and other workers—including dustmen — when city authorities dismissed 37,000 staff to-day under its stringent budget.

The big lay-off at the start of a new financial year will still involve the city in spending \$13bn. over the next 12 months. But Mayor Abraham Beame says that the austerity cuts—including jobs of 5,000 policemen, 2,100 firemen and nearly 3,000 rubbish collectors — reflect \$1.3bn. in economies.

Luckier New Yorkers—those with jobs—set out for work this morning to be greeted by the first signs of a threat by the militant dustmen's union to go on strike and turn New York into a "stink city." The dustmen's union announced that the strike had started from to-day.
Reuter

Venezuelan spending cut

BY OUR OWN CORRESPONDENT — CARACAS, July 1.

THE EXPECTED drop in Venezuela's oil revenues next year will cause across-the-board cuts in Government spending and will affect the Government's payments to its multi-billion dollar Venezuelan Investment Fund (VIF), Finance Minister Hector Hurtado has said.

The Finance Minister's statement stood in sharp contrast to earlier declarations by Finance Ministry officials which indicated that the Fund, now with assets of slightly over \$4bn., would not be affected by decreases in income brought on by Government-ordered cuts in oil output.

Venezuela, the world's third largest peroleum exporter, established the VIF last year in order to channel part of its spectacular petroleum revenues into domestic and foreign investments.

The Finance Minister gave no details as to how much the Fund stands to lose next year but said that the Government would provide additional payments.
Reuter

Geisel may sack Senator

BY DAVID WHITE — RIO DE JANEIRO, June 30.

A JUDGMENT by the Brazilian Senate absolving one of its members from charges of corruption has increased rather than dispelled apprehension among politicians, some of whom expect direct intervention by President Geisel to remove the accused Senator.

Such a move, using the controversial Firth Institutional Act, would inevitably damage the process of political relaxation, which has been the focal point of President Geisel's domestic policy.

In a closed session yesterday, the Senate voted by 29 votes to 21, with 11 abstentions, against the expulsion of Sr. Wilson Campos, a representative of the majority Government party Arena for "breach of Parliamentary decorum."

Sr. Campos was accused of accepting backhanders in his north-eastern home state of Pernambuco, including one from a local industrialist who alleged that half the money demanded was used to help the election campaign of the Senator's son, who is a deputy in the Lower House.

Iranian rescue of Pan Am in doubt

By Robert Graham

TEHRAN, July 1.

QUESTIONS are being asked about the fate of Iran's \$243m rescue operation for the U.S airline Pan Am. Preliminar agreement was meant to hav been reached six weeks ag but there is still no indicatio when this is now likely t happen.

It was expected that nego tiations would have been tie up during May when the Sha visited the U.S., to permit th signature of a memorandur of agreement between Ira and Pan Am which in tur would have been filed with th Civil Aeronautics Board. Sinc then Iranian and Pan Am officials have held a series o meetings in the U.S., but ther are hints of difficulties, an the feeling here is that th deal may now be scaled dow or even, according to som accounts, quietly dropped.

The basis of the rescu operation is that Iran supplie a 10-year loan, which in tur would give the country abou 13 per cent. of Pan Am' voting stock. Iran would als buy for cash a 55 per cen stake in Pan Am's profitabl hotel chain, Intercontinent Hotels.

The deal has proved mor complex than originally antic pated. One of the majo technical hurdles is th settling of Pan Am's outstand ing debt. The bulk of th Iranian loan would be used t buy back a substantial portio of \$389m.-worth of outstandin Pan Am notes held by U.S insurance companies. Some o these insurance companie hold five issues of Pan Am notes dating back to 1955, and it is proving difficult to ge them to acquiesce in the deal.

Pan Am is reportedly stil very much interested in the deal with Iran because i urgently needs the funds. I May for instance the airlin reported revenues down b \$5m. against the same mont in 1974

However, there are indica tions here that the Iranian may be having second thought about committing themselve to the original deal.

Moreover the Irania authorities in the past mont have begun to adopt a mor cautious attitude towards i vestments both at home an abroad.

GUY DE JONQUIERES add from New York: A spokesma for Pan Am said to-day th negotiations on the planne deal with Iran are "progre sing, albeit slowly," and that is hoped that it will be com pleted in the near future.

In Washington, the general impression given by well-informed Government officials is that prospects for an eventual agreement remain alive, though it is admitted that the talks are taking longer than expected to reach a conclusion.

Whether other major problems have arisen as well is no known. But the negotiation with Iran have added urgenc because the emergenc revolving credit line which th carrier arranged with its mai banks last autumn is due t expire on September 30.

BRAZIL RESERVES

Brazil's international reserve are estimated at \$4.19bn. an not as misprinted in yesterday Financial Times.

U.S. COAL INDUSTRY

Energy policy in trouble

BY NANCY DUNNE IN WASHINGTON

President Ford's successful veto of legislation to control strip mining has brought about a legislative stalemate which threatens the progress of Project Independence to end the U.S. dependence on imported energy.

Proponents of the strip mining Bill saw it as a necessary safeguard for millions of acres of productive land which, without controls, would continue to be laid to waste; and against thousands of miles of streams being polluted, and wild life habitats and landscapes being blighted. They even forecast a possible future food shortage and famine abroad resulting from the ruin of farm and cattle grazing lands.

The Administration, coal producers, and utilities which fought the legislation believe the Bill was one of the factors hindering an increase of coal production. The production of coal, which now satisfies 17.8 per cent. of U.S. energy needs, is expected by Project Independence planners to double by 1985, and to increase its share in the energy supply to 23.8 per cent. To achieve this goal, strip mining must be rapidly expanded. The Administration believes that Federal controls would limit strip mining, and says that individual states ought to make the regulations themselves, since different geographic areas have their own unique requirements.

To many legislators, the vetoed strip mining legislation actually represented a minimum step in what ought to be a national coal policy, taking into account both energy and environmental needs, the future of U.S. agriculture, and the current high unemployment. Believing that this first step must be taken, congressional sponsors sent the President a compromise Bill setting federal standards to protect the landscape and requiring restoration of lands ruined by the giant excavators. States were to be responsible for enforcing those standards. If they failed to do so, the Federal Government would have stepped in. A tax on coal was to have paid for reclamation.

The President also sent a proposal to Congress. He wanted 250 major new mines to be opened by 1985, most of them being surface mines. He sought to limit so-called citizen suits against strip mine operators violating laws; and asked for much lower taxes than Congress proposed to reclaim land. No funds were to be set aside for millions of acres already ruined.

The Administration Bill was received on Capitol Hill with little enthusiasm. It offered no solutions for many of the problems involved in strip mining, which now produces more than half of U.S. coal. If the western lands leased to private contractors in the 1960s are to be exploited with all possible speed, as called for by Project Independence, Federal and State Governments will have to contend with the threat to the area's scarce water supply now used for agriculture; the industrial pollution caused by generating plants; the problems of small towns suddenly booming into industrial centres. Western governors, left to face these problems without federal assistance, have been growing more and more hostile towards Administration energy policies. Failures of Federal-State co-ordination can only produce future chaos.

'Environmentalists say that coal production has not increased simply because coal producers have not wanted it to increase.'

These problems aside, the coal equation of Project Independence has other troubles. Plans first called for a doubling of coal production by 1980. When that goal began to look impossible, plans were revised for a doubling of production by 1985. However, in 1974, the U.S. produced 601m. tons of coal—2m. less than in 1970. From January to June 7, 1975, coal production of 286m. tons, represented only a 1.6 per cent. increase over the same months of the previous year.

Why is production rising so slowly? The Secretary of the Treasury, Mr William E. Simon, recently stated the Administration's position before a meeting of coal producers. "Our goal of 1.2bn. tons per year of production by 1985 will not be reached if we do not remove government impediments and create incentives for expanded production," he said.

To meet the goals of Project Independence, the Administration and coal producers cite the following needs:

1—The expansion of strip mining, which is now three times more productive than deep mining. The companies say a decline in deep mine productivity resulted from a federal health and safety act which took effect in early 1970, and that—until more efficient and safer means of underground mining are developed—producers must concentrate on reser accessible to strip mining.

2—Clean air act stand must be delayed and rev until technology can developed and installed to trol sulphur emissions.

3—Capital must be raised the development of new c mine techniques and equipm Producers say \$21bn. will needed in the next ten years

4—The U.S. transporta system must be improved expanded, and

5—Mining equipment mus made available. There is culty in obtaining certain supplies.

Environmentalists say that production has not incre simply because coal produ have not wanted it to incre They say that the industry i joying its currently high pr and will not increase supplie less it has guaranteed mar They say that coal prices risen by 50-500 per cent. dep ing on the type of coal sinc oil embargo, and they insist too little of these new funds been spent for research an velopment. They point out that several coal companies owned by oil producers (in ing two of the top three), that these companies have n terest to displace oil.

Nevertheless, coal is che than oil, costing in March cents per 1m. BTUs, comp with 204.8 cents for oil bo by utilities. The Administr wants more coal. But with disappearance of queues petrol and memories of th boycott fading, Americans to have lost the feeling national purpose necessar achieve energy independ With so much to be done with Congress and the Adm tration at odds on how to the Administration's plans energy self-sufficiency look and less likely to be realise

Karami forms 'rescue government' in Lebanon

BY IHSAN HIJAZI

BEIRUT, July 1.

THE NEW Lebanese Cabinet was formally announced to-day, with its head, Premier Rashid Karami, calling it a "rescue government" and emphasising that its main mission will be to re-establish law and order during an indefinite transitional period.

The formal government announcement was delayed until to-day after a last minute disagreement last night on the assignment of the important Defence and Interior portfolios.

Portfolio

The positions have been shared by Mr. Karami, who was given the Defence Ministry, and former President Camille Chamoun, who was given the Interior portfolio.

The two are the most influential members of the six-man Cabinet, which also includes Mr. Philippe Takla as Foreign Minister, Adel Osseiran as Justice Minister, Majid Arslan as Agriculture and Health Minister and Ghassan Tueni as Tourism and Labour Minister. Mr. Tueni is editor of Lebanon's leading daily An Nahar.

The line-up represents the country's main Moslem and Christian communities. But neither the rightist Phalangists nor the Socialists of Deputy Kamal Jumblat are represented in the new government.

In defining the Cabenit's mission as one of "rescue" and "law and order," Mr. Karami was referring to the violent and chaotic situation which has prevailed in this small country of 3m. people in the past 11 weeks.

Last night, this capital witnessed some of the most violent clashes so far in which rival factions exchanged mortar shells, rockets and machine gun fire in most of its suburbs. A series of explosions rocked the city centre and shopping areas. The streets are littered with shattered glass, mingled with garbage that has not been collected in the past week, which witnessed the latest round of heavy fighting.

The clashes, which in April started between militiamen of the Phalangist Party and Palestinian guerillas, recently gave way to fighting between Phalangists and Lebanese Leftists supporting the commandos.

In last night's fighting alone, as many as 48 people were killed and 66 wounded, according to police sources. This brought to over 200 the number who have lost their lives in the past week. About 600 have been wounded.

As Interior Minister, Mr. Chamoun will have to see to it personally that a ceasefire is reached between the warring factions. A good sign seen by observers is the fact that Mr. Chamoun has had excellent relations with the Palestinian leader, Yassir Arafat.

The presence of Mr. Karami in the Defence Ministry is bound to please his Moslem and leftist followers, who had accused the army of siding with the Phalangists, a claim strongly denied by the military command.

Leftists and Moslems are also pleased by the fact the new Cabinet will finally remove from office the military government which has been conducting caretaker functions since its resignation early in June.

Emergency

UPI adds from Cairo: Mr. Karami has agreed in principle to declare a state of emergency and use the army to restore order in the country following a decision to replace army commander-in-chief Maj.-Gen. Iskandar Ghanem, the Middle East News Agency said.

Quoting *informed* sources in Beirut, the agency said Gen. Ghanem will be replaced by Deuxieme Bureau (military intelligence) Chief, Colonel Jules Bustani.

'Emergency may end soon'

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

MRS. INDIRA GANDHI, the Indian Prime Minister, plans to end the emergency "as soon as possible" and at present does not think it will have to continue beyond two months.

Sources close to Mrs. Gandhi are explaining that she had this in mind when she decided to proclaim the state of emergency. They report that she has no plans to dissolve Parliament and that its next session will be held within two months.

This would be required in any case if the emergency is to be extended beyond the two-month period under the terms of the Constitution. But, as the sources admit, this will depend on the situation in India at the time and they agree that the Prime Minister has suspended various parts of the Constitution.

But, the sources of impeccable credentials claim that Mrs. Gandhi has done this deliberately to enable her to bring the country back to normality as soon as possible. One positive result of the emergency is that the Prime Minister now knows that her future depends on bringing about quick economic reforms.

The same sources expect Mrs. Gandhi to announce a package of economic measures to be taken soon by the Government and the hope is that these will prove effective within the two-month period to which Mrs. Gandhi hopes to limit the emergency.

Measures

These measures are being worked out in the context of the fact that prices in India are actually falling—probably the only country where this is happening. If the monsoon, which has just broken, is normal, it is likely that agricultural production will be sufficient to help the anti-inflation measure as well as to give a boost to stagnant industrial production.

Thus, Mrs. Gandhi's decision on the duration of the emergency might well depend on how successful her economic policies are. The sources say that she is conscious that her credibility will be established only if she can show she is in a position to "deliver the goods."

But the sources admit that economic policy and failures were not the reason for Mrs. Gandhi's decision to proclaim the emergency. This, they say, was due to the increasing strength of the opposition and its visible impact on the people.

Mrs. Gandhi, the sources say, felt she had to act when her political opponents realised they were gaining ground against her and were using their newly-found strength to create disorder. She appears to have been particularly alarmed at the call for a revolt by the army and the police: the sources say this seemed likely to be heeded unless it was forestalled.

Royalist Minister flees to Thailand

VIENTIANE, July 1.

ONE OF the last remaining Ministers of the former Vientiane side, which was dissolved after student demonstrations in May, has fled to Thailand with his family, informed sources said to-day.

The sources said that Justice Minister Khamking Souvanlasy, a moderate right winger, telephoned Prime Minister Prince Souvanna Phouma to-day from Bangkok to tell him he had left Vientiane in a hurry on Friday night. His daughter needed urgent medical treatment and he would be away for "an indefinite period."

Justice Ministry officials who visited the Minister's house in suburban Vientiane found all the family's personal possessions had gone.

Khamking's wife is a sister of Major-Gen. Kouprasith Abhay, former deputy commander of the armed forces, who fled immediately after the demonstrations, along with several other rightist political and military leaders.

Their places were filled by moderates with no particular political line or experience—effectively placing control of the coalition government in the hands of the pro-Communist Pathet Lao.

Meanwhile, the U.S. embassy here, cut back temporarily to 22 people following the occupation of a number of its premises, is waiting for a reply to a protest note sent to the Laotian Government yesterday.

The student protestors, who last May forced the closure of the massive U.S. aid mission to Laos, have laid claim to the U.S. Information Service premises, the embassy's general services office and a housing compound for American staff.

Reuter

Thais, Chinese establish relations

BANGKOK, July 1.

CHINA and Thailand established diplomatic relations to-day in Peking, Thailand Radio announced. Thailand immediately broke diplomatic ties with Taiwan.

The announcement came as Thai prime minister Kukrit Pramjo signed a ten-point communique with Chinese premier Chou en-Lai in a Peking rest-house where Chou is recuperating from a heart ailment, Thai sources said.

AUSTRALIAN POLITICS

Mr. Whitlam on trial

BY KENNETH RANDALL, CANBERRA CORRESPONDENT

A DISASTROUS by-election result at the week-end and the row that has blown up about Dr. Jim Cairns, the Deputy Prime Minister, have touched off an intense round of speculation about how long Mr. Gough Whitlam's Australian Labor Government can last. The Prime Minister himself is coming under widespread criticism within the party for his alleged refusal to consult the party organisation. Morale in both the party and the Government have sunk to rock bottom.

Despite it all, Mr. Malcolm Fraser, the opposition leader, has not been seen to move from his position that the Government should be allowed to run its full term, until May 1977, unless some extraordinary circumstance arises. It remains to be seen how far his colleagues in the Liberal Party agree.

There is no doubt at all that the National Country Party, his partners in opposition, want an election as soon as possible. The first opportunity will be provided by the budget on August 19 which the opposition has the numbers to defeat in the Senate.

When the by-election tallies are complete, they will show a swing against Labor of 17-18 per cent. in a constituency which the party had held continuously for 21 years. It was vacated earlier this month by Mr. Lance Barnard, the former Defence Minister, at Mr. Whitlam's urging. The Prime Minister wanted to make his first full-scale Cabinet reshuffle and was quite prepared to risk the loss of Mr. Barnard's seat at Bass, in northern Tasmania, to create the opportunity.

His attitude has infuriated party officials with an eye on rank-and-file reaction. Mr. Bob Hawke, the President of both the Labor Party and the Australian Council of Trade Unions, made his views public in the bluntest terms. Representatives of the left wing are talking about new rules requiring approval of the National Executive before a Labor politician might resign his seat, and forcing some form of party consultation upon the leader in the timing of elections.

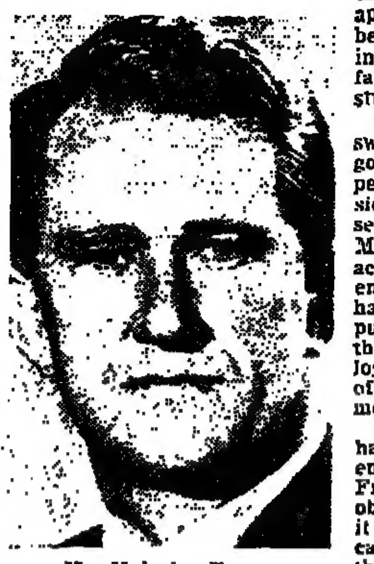
The loss of Bass leaves Mr. Whitlam a working majority in the House of Representatives of three instead of five which—at least before the Cairns affair, would have made little material difference. Despite the undoubted truth of charges that he has given the opposition a substantial morale-booster on a platter, Labor has no real choice but to accept the Whitlam gameplan or find a new leader—someone whom, at the moment, they simply do not have.

Mr. Whitlam's sights are fixed on a general election in 1977 or, perhaps, the end of next year. Within the next six months he will almost certainly win approval in the Parliamentary Labor Party for the creation of an inner Cabinet of about 12 to replace the present impossibly cumbersome system under which all 27 Ministers constitute the Cabinet. The recent reshuffle created the meritocracy the Prime Minister wants for the moment when the change is made.

But even now, three weeks after the event, trade union spokesmen are demanding the reinstatement of their erstwhile champion, Mr. Clyde Cameron, the former Minister of Labour, who has been replaced by Senator James McClelland with a policy of wage restraint, lower tariffs and industry restructuring, the winding-down of government subsidies for job creation, and an end to the Government's role as the pace-setting employer in wages and conditions. The union protests cannot succeed, and it is hardly conceivable that the unions really would expect a better deal by throwing their support to the conservative parties.

The shuffled Whitlam Government has yet to make its mark. Indeed, its new look has gone almost unnoticed by the electorate alongside such drama as the by-election campaign, the High Court's striking down of the Government's controversial Petroleum and Minerals Authority, and a constant tug-of-war between Canberra and the governments of the individual states.

The potential is there, nevertheless, for the emergence of a more effective and efficient government than Mr. Whitlam has been able to create until now from the varied material provided by his party. Its first test will be the budget, which must do something positive about reducing a 17 per cent. inflation rate and reviving a private sector which is limping along in a state akin to shell-shock.


Mr. Malcolm Fraser

The signs are that a majority of the new cabinet accepts both points, though working them out will almost certainly create more friction with the trade unions and the Left-wing. After 2½ years of parliamentary and inter-government wrangling, Labor sees its national health scheme, Medibank, launched this week with the grudging acceptance of all those states which previously opposed it. Moreover, for the time being at least, the more militant unions seem prepared to try wage indexation, the cornerstone of the Government's income policy.

Whatever else, the Labor Government needs time if it is even to hope to survive at the next polls. Until this week it could hope to get it because Mr. Fraser judged that time is just as important to him in whipping the Liberal Party into shape. His approach to the leadership has been unusually low-key, reflecting both the need to damp down factionalism and the absence of strong policies to promote.

The Liberal Party, reputedly swimming in money, is undergoing an extensive shakeup of personnel on the organisational side but has yet to come to serious grips with policy under Mr. Fraser's leadership. His accession three months ago has encouraged those who would have the party turn more purposefully to the right and those who, irrespective of ideology and policy, want to get rid of the Labor Government by any means at the first opportunity.

In a curious way, both leaders have had their hands strengthened by the Bass result. Mr. Fraser, of course, is the more obvious winner. The massacre, as it is being called was his first campaign test as leader. Even though it will generate new pressure for an election, that he does not want, it has given him the status and authority to handle the situation.

Mr. Whitlam's failure to stem the tide in Bass has forced his colleagues to an overdue confrontation with the costs of survival he will not be sorry about that.

In July there will be a second chance to test the political air with general elections for the State Parliament of South Australia, where Mr. Don Dunstan, Labor's second-best known asset, rules as Premier. The odds strongly favour the return of the Dunstan Government. If the result goes the other way, Mr. Fraser might finally be convinced that, despite his own problems, there is, indeed, no point in delaying his chance to become Prime Minister.

Deputy Prime Minister may be sacked

BY KEN RANDALL

CANBERRA, July 1.

THE AUSTRALIAN Government faces the prospect this week of seeing the Deputy Prime Minister, Dr. Jim Cairns, sacked in disgrace from the Cabinet. A month ago, Dr. Cairns was removed from the Treasury portfolio for what the Prime Minister, Mr. Gough Whitlam, considered to be an error of judgment in trying to raise huge petro-dollar loans outside the Government's official channels.

This time, Dr. Cairns faces the far more serious allegation that in his secret dealings he committed the Government to a brokerage arrangement with a private intermediary and then lied about it to Parliament.

Mr. Whitlam to-night released the text of a letter, allegedly signed by Dr. Cairns, to a Melbourne businessman, Mr. George Harris, offering a brokerage fee of 0.5 per cent. for introducing the right kind of loan funds. The letter was marked "secret" and dated March 7.

At an hour-long meeting to-night, the Prime Minister asked Dr. Cairns for a written explanation by to-morrow of the affair — and of business activities involving his stepson, Mr. Philip Cairns.

EUROPEAN NEWS

New IEA proposals agreed

BY ROBERT MAUTHNER

PARIS, July 1.

MEMBERS OF the 18-nation International Energy Agency (IEA) to-day agreed on a set of proposals aimed at reviving the dialogue between oil-producing and consuming nations that broke down in Paris in April.

The plan is fundamentally the same as originally put forward by U.S. Secretary of State Henry Kissinger, but with important modifications that might make all the difference to its reception by oil-producing and developing countries.

The idea, as explained by M. Etienne Davignon, the Belgian chairman of the IEA governing Board, is that the same ten countries who attended the abortive April meeting in Paris, should resume their discussions to prepare the ground for a plenary conference. But, this time, they should make sure in advance that they can reach agreement.

The preparatory conference should agree on the establishment of three special commissions to deal with energy, raw materials and the problems of developing countries, as Dr. Kissinger suggested. But the new proposals make an attempt to overcome the objections raised by the producers, particularly Algeria, to the Kissinger plan.

M. Davignon emphasised that the three commissions should be of equal importance. The U.S. had insisted that energy problems be given priority and that the commissions dealing with raw materials and the porblems of developing countries should merely "monitor" the work already being done by specialised UN bodies. However, the commissions should now be allowed to fix their terms of reference, with no subject excluded on principle, including the issue of the indexation of oil prices on world inflation.

On the face of it, therefore, two of the main producer demands—that the agenda of the conference should give equal importance to energy and raw materials and that indexation should be discussed—have been met. Their reactions, which are to be gathered by member countries through bilateral contacts, will be examined at the next IEA Board meeting on July 28.

'End confrontation' call from Soames

BY REGINALD DALE,

BRUSSELS, July 1.

SIR CHRISTOPHER Soames, EEC Commission Vice-President for External Relations, to-day outlined a five-point programme for a new world economic "consensus," aimed at ending the threat of confrontation between developed and developing countries.

His proposals were regarded as particularly important by Commission officials here in the light of the forthcoming Brussels summit, on July 16 and 17, at which energy and raw materials will figure prominently on the agenda.

Speaking to the Oil Industries Club in London, Sir Christopher called for a "continuing dialogue" leading to an understanding between oil consumers and producers on fair prices and stable supplies, as well as other issues of mutual concern. Secondly, agreement must be reached both on the stabilisation of the export earnings of the world's poorest countries and on the wider and more effective use of commodity agreements.

Next, the Community and other developed nations must promote industrialisation in the developing world by encouraging the growth of their processing and manufacturing capacity. Fourthly there must be further measures of trade liberalisation, giving special weight to the needs and interests of developing countries.

Finally, Sir Christopher said, there must be an increased aid effort to help the poorest countries. The developed countries should also ensure adequate food supplies both through greater production in the developing countries themselves and where necessary by increased food aid.

Such an action programme would cover all the central themes at issue and allow a comprehensive and unified discussion. Sir Christopher said. All five areas were clearly "interlinked" and artificial divisions must be avoided.

In this spirit, the developed countries should be ready to give due weight to raw materials questions and to the question of the needs of the poorest countries, as well as to energy. when we come to resume the dialogue between the oil producers and consumers," he stated.

In the course of the dialogue, the Community should be ready to discuss the problem of the real value of the oil producers' earnings. Sir Christopher said, as half the argument was about purchasing power. But this did not mean that indexation of oil prices was the answer, as it would pose many difficult problems, particularly the problem of fairness to all those affected.

The developing countries, too, must rise to the challenge of the new world economic order, Sir Christopher stressed. "Above all, they must understand that solutions cannot be imposed on the basis of block voting in the United Nations or by seeking to erect a system in which all the rights belong to one group of countries and all the obligations to another."

In the months of international debate that lay ahead, the nine must not act separately but as a community, Sir Christopher said. But he emphasised that the 68 per cent. who voted Yes in the British referendum were not voting for some "idealistic blueprint" of Europe. His remarks, perhaps unfortunately, coincided with to-day's publication by the Commission of a 68-page report on the distinctly "idealistic" concept of European Union.

U.K.'s positive view towards the EEC

BY MALCOLM RUTHERFORD

MR. LEO TINDEMANS, the Belgian Prime Minister who is on a fact-finding visit to Britain, said yesterday that he had discovered a new British spirit towards the European Community since the referendum which he was convinced would turn into a completely new attitude within the next few months.

The British, he said, were much more critical of the Community—in the sense that they were continually asking questions—than some other member nations, but they were also more positive.

Mr. Tindemans was speaking at a London press conference before going on to sound out opinion about the Community in Edinburgh and Cardiff. He has been charged with producing a report on European Union for the meeting of the nine heads of government next December.

On the controversial question of economic and monetary union on which the British Government has strong reservations, he said that at least "everyone was agreed that we have to do something in common." He had talks with senior ministers on this and other subjects on Monday.

The British, he felt, were also becoming more positive about direct elections to the European Parliament, on which the Government's position is still officially reserved.

Mr. Tindemans admitted, however, that he had found a strong reaction in Britain against the idea of a European defence policy. The idea was raised for the first time at this level in the paper submitted to him last week by the European Commission which will form one of the bases of his own report.

The British resistance is likely to have been led by Mr. James Callaghan, the Foreign Secretary, who even more than Mr. Wilson, the Prime Minister, is firmly opposed to any development which could loosen Britain's ties with the U.S. Mr. Tindemans said simply that defence co-operation was a problem and he had not yet decided whether his report would discuss it.

On the purpose of his mission, he said he was asking three main questions:

- What common policies do we want and what do we want to do together?
- How do we see the role of the Community institutions and the relationship between them?
- What is the objective of European union?

Mr. Tindemans agreed that European union had not yet been properly defined and declined to venture a definition of his own at this stage, though he said that his final report must be very clear about this and say in which directions Europe can develop.

He has already made similar visits to Ireland, Holland and Luxembourg and will be visiting the rest of the Community as well as holding more or less running consultations in Brussels.

ITALY TAKES THE CHAIR

By Our Own Correspondent

BRUSSELS, July 1

ITALY to-day took over the presidency of the Common Market from Ireland, which had been in the chair for the last six months. The Italians will now preside over all EEC meetings, except those arranged by the Brussels Commission, until the end of the year.

Pressure on Fanfani to resign abates

By Anthony Robinson

ROME, July 1.

THE INFINITE complexity of internal politicking within the Christian Democrat party reached a new height to-day as leaders of the various factions held a frenetic series of meetings, telephone calls and bargaining sessions between themselves and with the secretary of the party, Sig. Amintore Fanfani.

The formal meeting of the party central committee, originally called for 10 a.m., started at 1 p.m. to allow time for a brief cabinet meeting and meetings of the various factions. When the committee finally met it adjourned after one hour until later this evening after a speech in support of Sig. Fanfani's line by right-wing party veteran Guido Gonella. At this stage, however, it is clear that the Right-wing of the party has been widely discredited by the election results, which saw the party lose two votes on its Left-wing for every one vote it picked up on the right and that massive and unexpected gain for the Left-wing parties which constituted the principal shock and stimulus for that radical change within the CD party which is now manifesting itself.

Nevertheless, Sig. Fanfani's belated and somewhat veiled admission at yesterday's meeting that his original reaction to the party's defeat, that is to say his proposal for a reconstitution of a four-party Centre-Left formula was unrealistic, does appear to have toned down the demands for his immediate resignation. It implies that the alliance between Sig. Fanfani and Premier Aldo Moro still holds.

The Left-wing factions, who resigned from the central committee at yesterday's meeting, continue to ask for his head, but the consensus of opinion within the party as a whole now appears to be that of allowing Sig. Fanfani to retain his post until the congress this autumn.

This does not mean that Sig. Fanfani's long-term position is any stronger, however. The idea behind it is to ensure that the grass-roots demand from the base of the party for fundamental changes has the widest possible expression. In this way the party as a whole hopes to retrieve its contact with the real life of the party and the country which is essential to the democratic vitality of any party and which the CD has progressively lost through the increasingly closed and corrupt manipulation of power of the last few years.

New clashes in Cyprus threat

By Our Own Correspondent

NICOSIA, July 1.

THE TURKS to-day stopped the expulsion of Greek Cypriots from the North of the island but continued to make threats to take fresh military action to "free" Turkish Cypriots in the South.

Turkish Cypriot leader Rauf Denktash, speaking before leaving for a tour of Arab countries, said the expulsions had been "suspended" following an agreement by the Greek Cypriot authorities to allow some 50 Turkish Cypriots from Paphos, western Cyprus, to move to the Turkish-held North.

Turkish Cypriot radio "Bayrak" said openly to-day there was a danger of new clashes. Turkish troops were ready to launch a new offensive to "liberate" the 10,000 Turkish Cypriots living in the South, who, the broadcast claimed, were being oppressed.

President Makarios to-day called a joint meeting of his Cabinet and his "National Council" to discuss the situation. A Government spokesman said Turkish forces had been carrying out extensive land, air and sea exercises and preparing for "fresh military action."

Soviets cut foreign income of Jews and dissidents

MOSCOW, July 1

SOVIET Jews and dissidents will lose nearly half their current incomes from abroad to a new tax, according to regulations published to-day.

The regulations, disclosed for the first time since the tax was announced on June 6, require Soviet citizens to pay 30 per cent. levies on incoming foreign currency from the first of next year. Recipients must also pay to the Foreign Trade Bank 35 per cent. in fees to receive the money. The tax will therefore cut the remaining 65 per cent. by nearly half, leaving $35 for every $100 sent.

However, an extensive list of exceptions makes clear that the measures are aimed at dissidents, particularly Jews. Nearly every category of money sent from abroad—such as authors' royalties, inheritances and gifts from Soviet officials—are excluded. The list leaves only money gifts sent from friends and groups.

Western diplomats said the majority of such cases are Jews who are being supported by groups. Also affected will be friends of exiled author Alexander Solzhenitsyn who have acknowledged that the writer is aiding them with some of his royalties.

No mention of the tax has been in the wide-circulation Soviet Press. The tax and the Parliamentary approval of the measures have been disclosed only in limited circulation government journals.

The announcement of the levy raised alarm in dissident circles because most activists lose their jobs. Dismissal is automatic after applying for permission to emigrate to Israel.

Soviet Jews contend that official persecution has increased since a trade agreement with the U.S. collapsed at the beginning of the year. The Soviets rejected the trade agreement after the U.S. Congress tied trade benefits to demands for eased emigration. The Soviets have long denounced the practice of Jewish groups sympathetic to Soviet Jews sending them hard currency after they lost their jobs.

Soviets getting money from abroad are often able to exchange the funds, using legal means for Soviet currency at about eight times the official exchange rate.

ALEXANDER SOLZHENITSYN, the author, and two other former inmates of Soviet prison camps are drafting a programme of agitation designed to gain freedom for Soviet political prisoners. Reuter reports from Washington that Mr. Solzhenitsyn discussed the programme into the early hours of the morning at a meeting in an hotel there with Mr. Simas Kudirka and Mr. Alexander Dolgun. The programme would consist of "agitation, agitation, agitation," a participant of the meeting said.

- Mr. Solzhenitsyn made an impassioned appeal at a banquet in Washington last night against appeasement of the Soviet Union. The author, in his first public appearance since arriving in the U.S. two months ago, said "[...] to slow down the process [...] concessions and help the p[...] cess of liberation."

The banquet, which [...] attended by about 3,000 peo[...] was sponsored for him by [...] American Federation of La[...] Congress of Industrial Org[...] sations (AFL-CIO).

Mr. Solzhenitsyn said that detente with his homeland to [...] genuine it required three c[...] ditions: an end to oppress[...] inside the Soviet Union, freed[...] of political expression that co[...] guarantee détente and an [...] to ideological warfare.

Mr. Solzhenitsyn drew a sta[...] ing ovation at the end of his [...] minute speech, but he appea[...] often to perplex his audience [...] he condemned Communism, c[...] talism, British Trade Un[...] leaders, the 1972 Vietnam tru[...] the European Security C[...] ference and even the darling [...] the U.S. trade union movem[...] — former President Frank[...] Roosevelt.

He condemned Western c[...] talists for providing what [...] called a clumsy Soviet econo[...] with the assistance it needed [...] survive and oppress its peopl[...] Agencies

U.S. firm in security talk

GENEVA, July 1

THE U.S. to-day insisted on settling remaining issues of substance before fixing the date for a European security conference summit.

The Soviet Union for the fifth straight day pushed for July 28 in Helsinki for the meeting of Heads of State or Government to sign a final conference declaration.

American officials told the conferences' Co-ordination Committee that while it is "desirable and possible" to stage the summit at an early date, the outstanding substantial questions still under discussion must first be settled.

These include the prior notification of military manoeuvres, a clause upholding four-power responsibilities in Berlin, a[...] arrangements for a follow[...] review.

Finland reminded the comm[...] tee that it requires four we[...] to make the necessary summ[...] preparations, but a squee[...] three weeks would be sufficien[...]

Western negotiators said th[...] on the other hand there will [...] difficulty in printing the fin[...] declaration in the six official la[...] guages and then having lawye[...] compare all the translations [...] time for the end of this mon[...] The West refuses to fix a da[...] as long as these questions rema[...] because they believe Mosc[...] would refuse to make any furth[...] concessions. The Co-ordinati[...] Committee is to meet ag[...] to-day. UP[...]

Moscow mission for Brandt

BY JONATHAN CARR

BONN, July 1.

IN A VISIT discussed in advance with the Bonn Government, the West German Social Democratic Party leader, Willy Brandt, to-morrow begins his first trip to the Soviet Union since he stepped down as Chancellor more than a year ago.

The object is not only to help prepare for a new impetus away from the stagnating relations between the two countries, but also to sound out the Soviet leadership on topics including the European Security Conference, the situation in southern Europe — and especially the evolving events in Portugal.

The range of Herr Brandt's talks and the importance of his discussion partners — in particular party leader Leonid Brezhnev — underline the well-nigh unique position the SPD leader has managed to forge for himself in Western Europe. He has emerged as a kind of unofficial Foreign Minister, boosted by his former prestige as architect of the Ostpolitik, yet unburdened by the need to speak and act as the direct representative of Government.

There has been every sign that both Chancellor Helmut Schmidt and Foreign Minister Hans Dietrich Genscher support the role Herr Brant has taken upon himself—and that the SPD leader's recent talks in Greece and Yugoslavia as well as his contacts with Social Democratic parties throughout Europe have served as a valuable extension of the conventional foreign ministerial apparatus. The danger of crossed lines has thus been avoided—up to now.

Neither economically nor politically have Bonn-Moscow relations developed as well as had been hoped in the wake of Herr Schmidt's Moscow visit last October—not least because of continuing difficulties over West Berlin and interpretation of the four-power agreement.

Herr Brandt will explore ways in which future bilateral government talks might best make progress in both these areas—and is expected to stress that repeated Soviet and East German pinpricks on the Berlin issue are in direct contradiction to that cause of security and co-operation which Moscow claims to espouse.

On the security conference itself, Herr Brandt will urge on Mr. Brezhnev that the proposed Helsinki summit gathering decide on an eventual stocktaking meeting, probably at deputy-foreign minister level. The immediate object would be to see how far the expressions of intent contained in the security conference final document are actually being carried out. Bonn sees the Helsinki summit not only as the conclusion of a highly sensiti[...] negotiating process but as t[...] signal for further practic[...] moves of detente.

The failure of such moves [...] emerge from the East—or ev[...] new action contrary to the spi[...] of the Helsinki pronouncemen[...] —would, it is held, itself unde[...] mining the development of Bon[...] Moscow ties.

This is particularly true regard[...] ing the situation in Portugal and Soviet intentions there. Herr Brandt is expected to stress the especial importance Bon[...] attaches to the development o[...] Portugal's democratic institution[...] and the danger it sees for Eas[...] West relations in the event o[...] an extreme leftist seizure o[...] power in Lisbon.

Communist summit snags

BY PAUL LENDVAI

VIENNA, July 1.

PREPARATIONS for the conference of the European Communist parties—originally scheduled for last May in East Berlin—appear to have entered another crucial stage.

Leaders of the Yugoslav and Romanian parties, which insist on full equality of each party and refuse to accept any kind of binding resolutions, are engaged in talks with pro-Soviet, orthodox parties in search of an acceptable compromise.

Marshal Tito's closest Presidium member, Mr. Edvard Kardelj, who conducted talks during the past week with the Hungarian and Czechoslovak leadership in Budapest and Prague, arrived to-day in Bucharest.

The communiqué issued after yesterday's meeting between Mr. Kardelj and Czechoslovak party leader Gustav Husak indicates a continued conflict since it merely said that their talks took place in "a frank and comradely [...] mosphere."

Meanwhile, Romanian Cent[...] Committee Secretary Stef[...] Andrei began talks to-day w[...] German Democratic Repu[...] party leaders in East Berlin.

After two preliminary conf[...] ences in October and Decem[...] 1974, a serious conflict erupt[...] The Yugoslavs rejected an E[...] German draft resolution for [...] conference and, supported [...] the Romanian, Italian a[...] Spanish Communists, insis[...] that their participation [...] pended on the recognition [...] the autonomy and independe[...] of each party.

With the European secu[...] conference approaching its e[...] a drawn-out deadlock or bre[...] down in preparations for [...] European Communist meet[...] would be highly embarrass[...] for Moscow. It is theref[...] thought likely that the Sov[...] might accept a face-saving c[...] promise.

Figaro journalists strike over ownership change

BY RUPERT CORNWELL

PARIS, July 1.

THE LEADING Paris morning newspaper, Le Figaro, will not appear to-morrow because of a one-day strike by journalists protesting the transfer of the newspaper's control to Centrist Member of Parliament and Press magnate Robert Hersant.

In a vote late last night, Le Figaro's editorial staff voted to go ahead with their planned action after the paper's proprietor, M. Jean Prouvost, refused to grant the one-month's stay of execution they had sought to find an alternative buyer to M. Hersant.

This morning, Editor-in-Chief Jean d'Ormesson first resolved to publish anyway but changed his mind with the realisation that the determination of the journalists was matched by that of production workers.

The stoppage will certainly not indure any second thoughts in the 90-year-old M. Prouvost. In spite of the preference of the journalists for the 11th-hour attempt by M. Simon Nora, late of Hachette, to put together a purchasing consortium, M. Prouvost said that "dreams could not be compared with firm offers" and that the decision to sell a majority stake to M. Hersant had been taken.

In fact, no less than seven potential buyers had expresseed interest, including the leading reformist politician, M. Jean-Jacques Servan-Schreiber, already owner of the successful weekly L'Express. But his rival's readiness to put up the required money at once — including Frs.28m. within a month — reportedly carried the day.

The objectors of the editorial staff to M. Hersant are several: that his reputation as a good administrator was not borne out by his record at the head of an empire of 11 regional papers, that his controversial war record did not qualify him as suitable to take over, and that the appointment would curtail the journalists' own freedom of expression.

Many of these doubts may well disappear in the face of the fait accompli. But another serious reserve will certainly remain, that the Government has connived at a deal that can only reinforce the concentration of the French Press in the hands of a powerful few, thus reducing the Press "pluralism" and freedom to which the Government pays lip service.

Portugal sacks UN man after critical speech

BY OUR U.N. CORRESPONDENT

July [...]

PORTUGAL'S chief delegate to the UN, who voiced thinly-veiled criticism of the new regime's attitude towards civil rights in a speech here last week, has been dismissed, it was learned to-day.

The diplomat, Dr. Jose Veiga Simao, was also relieved of his position as Professor of Physics at Coimbra University in a decree last Saturday, which preceded his removal from the UN post.

The son of poor peasants, Dr. Simao (46) received his education through scholarships. He became Minister of Education in the Government of Dr. Marcello Caetano, but had no political affiliation.

In his address at a UN commemoration last Thursday of the 30th anniversary of the signing of the charter, Dr. Simao referred to the need for respect for human rights and fundamental freedoms, and "free elections enabling each people to choose periodically its own government." Democracies, by whatever name they called themselves, were only democratic when they respected these rights, including liberty of conscience, religion and association, he said.

Dr. Simao was chairman of the Western European group in the UN during June and addressed the commemora[...] meeting in that capacity.

- Reuter adds from Lis[...] Sixty former secret po[...] agents were still on the run [...] day, as a massive campaign [...] tough reprisals began to b[...] up. The escape of 89 impriso[...] members of the old right-w[...] dictatorship's Pide-DGS Se[...] police was portrayed by [...] press and leftist political par[...] as an outrageous affront to [...] revolution.

Meanwhile, Portugal's milit[...] rulers to-day made a new atte[...] to get the Lisbon evening ne[...] paper Republica back into p[...] lication by trying to end [...] month-old dispute between Socialist journalists and C[...] munist printers.

The Revolutionary Council [...] day summoned both groups [...] their first joint meeting si[...] the military closed d[...] Republica on May 19. The ne[...] paper has become the focus [...] the struggle between the Soc[...] ists and Communists, with [...] former twice threatening [...] resign from the Left-w[...] Government coalition.

LABOUR NEWS

Transport workers vote for social contract

BY LORELIES OLSLAGER IN BLACKPOOL

THE TRANSPORT and General Workers' Union yesterday gave the Government a much-needed boost by calling for a revamped social contract—unaware that at the same time Mr. Denis Healey, the Chancellor, was preparing his Commons announcement on pay and dividend restraint.

The vote in favour of the social contract at the union's conference here was taken only 3½ hours before Mr. Healey disclosed his plans in the Commons.

The union's resolution firmly stated that in supporting the contract the conference was in "total opposition" to any form of statutory wage control and was seeking to maintain the principle of free collective bargaining.

Ironically, the outright rejection of statutory wage control was written only yesterday into the original pro-contract resolution submitted by the national executive. This was done to make support for the social contract more palatable to waverers on the conference floor and ensure the greatest possible majority for the resolution.

In trying to ensure continued union support for the Government, Mr. Jones may now find that he has to oppose it more strongly than he would like to on the question of statutory controls.

The conference went on to endorse the proposal of Mr. Jack Jones, general secretary, that wage rises in the coming 12 months should be given in the form of flat rate increases to help the lower paid.

Mr. Jones has been urging that in the interest of social justice the earners of very high incomes should in effect accept a cut in pay.

After hearing about Mr. Healey's announcement, Mr. Jones made it clear that the union's opposition to statutory control would continue.

The union had had assurances from the Government that there would be no statutory policy. Other ways and means of enforcing Mr. Healey's plans would now have to be discussed with the Government.

Mr. Jones was clearly taken by surprise at the speed of the Government's action, as well as by some of the elements in the package. But he said that he continued to stick by his remarks in a speech in support of the Government he made in the morning.

He had told the conference that the unions "must help to keep this Labour Government in office and stand by it during this terrible economic crisis."

Working people were under attack not from the Government, but from people who wanted to bring that Government down and "put reaction firmly in power."

They were under attack from growing unemployment, "a threat that could be met only by united action between the Government and the trade union movement.

The unions must for some time moderate wage claims and settlements and the Government must enforce stricter price controls. The social contract must become not just a workers' charter, but also a housewives' charter by getting prices down and increasing the value of the pound in the pay packet.

Mr. Jones made clear once again his fears that the Government might be replaced by a coalition of Right-wing Labour MPs and the Conservatives.

"The dangers are very great indeed, the circumstances (including the betrayal) of 1931 could happen again . . . do we want this to happen?"

There were people, including a few in high places, ready to "stick the dagger into the heart of the Labour Government."

If Labour was ousted by a coalition now it would never be allowed to return to power.

Mr. Jones repeated that in return for wage restraint the union movement wanted the Government to take a number of measures, including stricter price and dividend controls.

The Government had already given some undertaking that council rents would not be increased next year as had been suggested only a few weeks ago.

The conference resolution calls on the Government to press ahead with the "full policy" laid down in the party's general election manifesto.

The conference also endorsed Mr. Jones' call that the minimum pay target of £30 a week set up by the Trades Union Congress in September should be updated to take into account the rise in the cost of living since then.

Mr. Jones said on previous occasions that to keep in line with inflation the target would have to be £38 by September, but such an increase would be impossible under Mr. Healey's plan of to-day.

Opposition to the motions in favour of a revamped social contract was restricted to fewer than 100 of the more than 1,000 delegates. It centred mostly on an unsucessful resolution which said that the conference rejected wage regulation and supported free collective bargaining.

One motion specifically rejecting the contract, which had survived all the behind-the-scenes attempts to have it and others like it withdrawn from the agenda, received fewer than 20 votes.

Fire union expels sanction breakers

BY OUR OWN CORRESPONDENT

TWELVE FIREMEN at Huntingdon and Peterborough have been expelled from their union for carrying pocket "bleepers" during sanctions imposed over their three-month pay dispute.

The Fire Brigades Union said yesterday: "They have been deprived of their union cards and we no longer represent them. The discipline was imposed because they refused to comply with a ruling that communicators should be handed in so they would not be in 24-hour contact with headquarters."

There will be talks this week between the FBU and the local authority employers on the union's demand for an interim increase for all 27,000 firemen in advance of their next annual deal, due in November.

Meanwhile the "emergency calls only" sanctions are affecting firecover, especially in London where some 70 of the capital's 300 appliances are off the road.

State aid to job movers ignored—Government

NOT ENOUGH people seem to be taking advantage of the national Employment Transfer Scheme to get jobs in new areas, in spite of rising unemployment, the Government said yesterday.

The scheme gives financial aid —over £1,000 in some cases—to the unemployed and people facing redundancy who move home to take new jobs, providing certain conditions are satisfied.

In the last 12 months, in spite of the economic situation, fewer than 15,000 people had used the scheme, but more than £4m. was paid out in aid to cover travelling, lodgings and moving house.

East and North Scotland proved the most popular destinations for workers taking new jobs under the scheme. Figures for the last financial year show that 3,147 people moved there, followed by London (1,715), Southern (1,512) and East Pennine (1,050). Only 451 people moved to jobs in the South East.

While East and North Scotland proved the biggest attraction to migrant job seekers, it also provided the largest number of job movers—2,622 in the last year, although more moved to jobs within the area.

ICI skilled men vote to return

By Our Labour Staff

CRAFTSMEN at ICI Wilton, Teesside, voted yesterday to return to work to-day, joining 9,000 production workers who called off their strike on Monday.

With industrial action at other ICI plants also ended, the way has been smoothed for formal acceptance of ICI's revised 26 per cent. pay offer to its 57,000 manual workers.

Wilton is expected to be back to normal production within days.

But the Wilton craftsmen passed a resolution calling on union leaders to negotiate with ICI separately in future to avoid being tied to a national level pay claim that they feel is largely determined by unions representing less skilled men.

The offer includes a threshold deal triggered after the retail prices index has risen 18 per cent. above its June level. Automatic pay rises of 1 per cent. would then be made for each 1 per cent. climb in the index, with a maximum of six payments.

A report yesterday inadvertently ommitted mention of the 18 per cent. trigger point, first reported in the Financial Times on Saturday.

Steel pay deadlock as furnacemen reject 24% offer

BY CHRISTIAN TYLER, LABOUR STAFF

PAY TALKS between the British Steel Corporation and the National Union of Blastfurnacemen broke down in London yesterday only a few hours after the Chancellor's announcement on wage policy.

The NUB, representing 15,000 BSC workers, is seeking a pay rise of 35 per cent. and appears to have rejected yesterday a 24 per cent. offer in line with rises agreed by most of the Corporation's other 115,000 manual workers.

During the seven hours of discussions, news of Mr. Healey's statement filtered through to the negotiators, but it is not clear what influence it had on the discussions. BSC said that no further meetings had been arranged.

Other BSC workers have accepted rises lifting basic rates by 24 per cent. above a year ago. About 14 per cent. of this is "new money," the rest being the value of threshold money already paid and now consolidated into rates.

The other BSC deals will run for seven months initially and be reviewed at the end of December, taking into account the movement in the cost of living by then. This review, to take care of the succeeding 12 months, would of course be subject to the voluntary or statutory pay policy that emerges following the Chancellor's warning yesterday.

Strikes make 7,000 idle

By Our Midlands Correspondent

PAY STRIKES at components suppliers have made almost 7,000 British Leyland car workers idle. All Jaguar production has been suspended at Coventry, with 2,500 laid-off, while Triumph is without saloons and smaller sports cars.

At Oxford, Maxi production has been stopped, with 900 laid-off—an aftermath of the recent pay strike at the Llanelli Pressings subsidiary.

Another pay strike by 800 employees at Alford and Alder, a Hemel Hempstead subsidiary supplying front suspension and other components, takes the total laid-off at Triumph factories to 3,400.

Fleet St. troubles 'threaten Press'

FLEET STREET must solve its "alarming" overmanning and curb potential union power to censor news or face possible Government intervention and a seriously undermined free Press, Sir Michael Swann said last night.

The BBC chairman told the Royal Society while delivering the Goodman lecture in London that there were "conspiracies of silence" over print unions censoring news and overmanning on the print side.

Two factors could bring about a change in society's relatively stable relations with the Press. They were: Fleet Street's "shaky financial basis," and the potential power of a handful of unions to determine what was or was not printed.

On the print side, Fleet Street had an alarming degree of overmanning. "There is something of a conspiracy of silence over the whole affair. Unions are reluctant to let the facts be published; editors freely admit that they tone down their comment to avoid confrontation."

That it all contributes greatly to Fleet Street's financial troubles is not in dispute. And only now, with dire trouble round the corner, are one or two national newspapers starting to do anything about it.

"With some good will on both sides, the problem is soluble; but if it is not solved, and a few more national papers fold, the basis of a free Press, namely the wide diversity of separate outlets, would be very seriously undermined.

"Pressure for some form of Government regulation would be difficult to resist," Sir Michael said.

Rises for supermarket staff in pipeline

ADULT FULL-TIME staff of Britain's main supermarkets could get rises of at least £3.45 a week from August 4—with increases of £4.40 for department heads and £6 for shop managers —under a proposed settlement between the Union of Shop, Distributive and Allied Workers and the Multiple Food Retailers' Association.

Union members employed by Tesco, Fine Fare, International Stores, Liptons and other leading grocery chains are being asked by USDAW negotiators to accept the pay deal, which brings forward the date of the settlement from November to August.

The new minimum proposed rates for shop staff are £29 for a standard 40-hour week. Last November the union settled for increases which brought the lowest paid worker up to £25.80, but because of the rise in the cost of living and recent settlements for Co-op chain stores and department store staff the union insisted that pay also had to improve this summer for multiple grocery workers

The £29 minimum would apply to the lowest-paid staff in provincial towns with higher rates paid in London. New rates are also proposed for checkout operators and other graded jobs. A London checkout operator, for instance, could earn more than £31.50 for a standard week from August 4, USDAW said.

Adult rates would be paid at the age of 20 instead of 21 if the new deal is accepted. "Consultation with USDAW branches will be completed by July 10 so that the union's executive council can decide whether to ratify or reject the settlement," the union said.

Talks on ITV pay to-day

By Our Labour Staff

MR. BRIAN YOUNG, director-general of the Independent Broadcasting Authority, will meet Mr. Tony Hearn, general secretary of the Association of Broadcasting Staffs, to-day for discussions on a pay dispute.

Negotiations continued yesterday on the claim for a 25 per cent. pay rise for 3,000 transmitter technicians. They have been offered 22 per cent. by the employers.

Cabin crew shun Concorde

BY OUR LABOUR STAFF

BRITISH AIRWAYS stewards and stewardesses will not be aboard the Concorde when it starts a programme of proving flights from Heathrow airport, London, next week.

The cabin staff are in dispute with BA over the number of duty hours aboard the supersonic airliner.

Stewardesses from other airlines such as Air India, Singapore Airlines or Gulf Air in training for Concorde flying may look after the managers from BA and British Aircraft Corporation who will be aboard.

However, BA said the dispute would not jeopardise Concorde's entry into commercial operation early next year.

Talks on hospital dispute

NEW TALKS will be held to-day in an attempt to end a dispute at Queen Elizabeth Hospital, Hackney, where 24 telephonists and porters have begun an unofficial "emergencies only" service because of night attacks by hooligans and drunks. The hospital workers want extra security.

The National Union of Public Employees will meet Mrs. Audrey Callaghan, wife of the Foreign Secretary, who is chairman of the Board of Governors at Great Ormond Street Hospital, of which the Queen Elizabeth Hospital is an annexe.

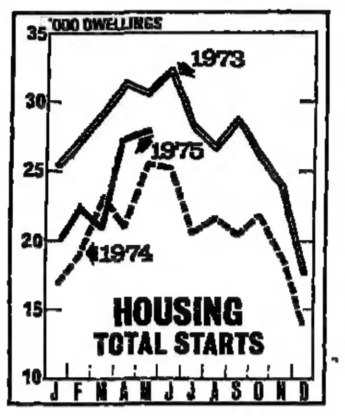
Positive signs of recovery in house building

BY MICHAEL CASSELL

THERE ARE now positive signs that house building activity is again expanding after one of the worst recessions on record.

Only days after figures which showed that the value of housing contracts now being placed was improving substantially, more statistics from the Department of the Environment confirm that current work levels are already improving. At this stage, the figures can only be taken as a sign that the housing sector has clearly "bottomed out" but the extent of the apparent recovery remains to be seen.

According to the Department, the number of homes on which builders began work during May rose to its highest monthly level since September 1973, so maintaining the brighter outlook which has prevailed since the beginning of the year. The May level of new starts was running at twice the rate of output recorded at the end of last year.



In the private sector, work started on 13,000 new homes, repeating the April total and again providing one of the most encouraging performances for many months. The number of council houses entering the construction stage also rose once more to 15,000 against 13,700 in the previous month, confirming the continuingly healthy rate of starts in the public sector. Total housing starts reached 28,000 against 14,700 six months earlier.

As far as housing completions are concerned, May was another reasonably buoyant month. Another 25,000 homes were added to the nation's total housing stock during the month, again a repeat of the April figure and an improvement over the preceding few months. Council house completions rose marginally in May to reach 13,000 while the number of private homes finished stood at 12,000—the same as in the previous month but better than in the earlier months of the year.

So there is now some evidence that builders are stepping up output, particularly in the private sector. A continuing flood of money into building societies and signs that perhaps mortgage finance might in future flow more smoothly may well be a major factor behind the upturn, coupled with evidence to show that for the first time in well over a year average house prices are beginning to move.

Builders have been selling off existing stocks and only starting sufficient houses to keep business operational. While they have until now been unable to reflect costs in prevailing market prices, the situation for them is clearly improving and prices this year could show a substantial increase over 1974.

Private starts

The DOE says that in the three months from March to the end of May, council housing starts were down on the previous three months and also down on a year earlier, while private starts were well up over both preceding periods. Completions in the public sector were up on the previous quarter and on a year ago while private house completions were up on the preceding three months and at about the same level as a year ago.

Other Department figures show that house renovation grants for an estimated 33,900 homes were approved in England and Wales during the March-May period compared with 73,400 in the same period a year earlier.

Pension funds want Coats to restore 1974 dividend

BY MARGARET REID

REINSTATEMENT OF the 1974 final dividend, which the Board of Coats Patons proposes should be passed, has been underlined as the clear objective of the recommendation to pension fund managers to vote against adoption of the group's report and accounts.

In a letter to members despatched last night, the investment protection committee of the pension funds association describes the purpose of the advice to vote as recommended at the annual meeting on July 11. It is "to make it evident to the Board that there is a substantial number of shareholders whose requirements and views have not been correctly interpreted by the Board and to obtain payment of a final dividend."

The move among the pension funds, which hold some 10 per cent. of Coats shares, is one of the strongest ever taken by institutional investors to force the Board of a large company to change its mind.

Current indications are that the Coats Board, headed by Mr. Charles Bell, is again having a hard look at its decision to miss out the final dividend for cash conservation and tax-saving reasons, although it would be wrong at this stage to say it was likely to be reversed.

Since the surprise dividend move was announced on May 29, there has been a storm of criticism among institutional investors, which has not been disarmed by the Board's subsequent forecast of resumed full dividends for 1975. The Association of Unit Trusts, which earlier decided provisionally to recommend members to vote against adoption of the report and accounts, meets to-day to finalise its recommendation.

In the letter to 120 pension fund managers, the investment protection committee of the National Association of Pension Funds makes the point that the company, in passing the dividend to save cash, is effectively forcing shareholders to make a loan to it. The move, it claims, is tantamount to cheap borrowing by the company, which should have used normal borrowing to finance the pay-out.

Concern is also voiced about whether the Treasury will allow full dividend payment to be resumed for 1975—a doubt which may be underlined by yesterday's tightened dividend controls.

But the committee is not seeking to oppose re-election of any of the Coats directors. "It should be understood" it says "that this recommendation arises purely from the Board decision to pass the final. It should not be interpreted as a vote of no confidence in the Board of the company but is seen as the only way left open to shareholders to express their disagreement with the decision the Board felt was right in the interests of the company and of shareholders."

Speaking at the first Free Enterprise Day ceremony in London yesterday, Mrs. Margaret Thatcher presented the first Free Enterprise Award to her Shadow Cabinet colleague, Sir Keith Joseph. Sitting between them, probably for the first time, was Sir John Reiss.

Free enterprise essential for Britain's future says Thatcher

BY PETER FOSTER

FREE ENTERPRISE was an essential part of Britain's future, Mrs. Margaret Thatcher, Conservative Opposition leader, claimed yesterday.

Speaking at the first Free Enterprise Day ceremony in London at the start of Free Enterprise Week she pointed out that free enterprise provided jobs, and exports, created wealth and also provided "inventiveness and adventurous spirit for our people.

"What the country needs," she continued "is a Government prepared to leave enough of its resources with free enterprise to invest and develop further."

Mrs. Thatcher also presented the first Free Enterprise Award to Sir Keith Joseph, the Conservative Party's chief policy adviser. Sir Keith, she said, had been given the award because, "he had done so much to revive the philosophy and economics of free enterprise in a society with a conscience."

Both the award and the week have been organised by Aims for Freedom and Enterprise, which until it changed its name was Aims of Industry.

Mrs. Thatcher went on to say: "One of the most dangerous of modern myths is that freedom is divisible. . . . Once the State controlled the means of production, distribution and exchange, all of us would become dependent on it."

Turning on the present Government, she asked whether it was not taking us further along the road towards the centralised State than ever before.

She declared that free enterprise should have two main objectives: to stop State control and to start an extension of freedom. "Power to the people," she concluded, could only be provided by free enterprise and by choice, "in both the small things and in the big ones."

Accepting his award Sir Keith stressed the positive role of the entrepreneur, the "risk taker," in society. He attacked socialist philosophy which focused entirely on wealth distribution without regard to wealth creation.

"Collectivist utopias" already existed, he stressed, but their occupants were kept at home by "minefields and machine guns."

A special free enterprise award was presented to Mr. Arne Berner, chairman of the Free Enterprise Central Organisation in Finland.

Money supply still appears to lag behind inflation

BY MICHAEL BLANDEN

THE UNDERLYING growth of the money supply still appears to be lagging significantly behind the general rate of inflation.

After an exceptional drop in the latest month, the money stock on the narrower definition (M1), is estimated to have increased by some 3½ per cent. after seasonal adjustment, over the three-month period to mid-May.

This is equivalent to an annual rate of increase of around 14 per cent. below the 20 per cent. a year increase which, as the Bank of England Bulletin recently pointed out, has been the going rate in recent months.

Recent indications have suggested that the authorities are content to see the money stock on the narrower definition rising at a rate rather below the general level of inflation—recently 25 per cent. and above—allowing higher prices and wages to be reflected in increased cash balances without contributing to further inflation. The signs are that the latest figures, subject to an unusual amount of uncertainty, may understate the basic trend.

The recent pattern has continued of a slower growth in the wider definition of money stock (M3), which includes bank deposit accounts. Over the latest three months M3 has again risen by about 2 per cent. seasonally adjusted, or around 8½ per cent. on an annual basis.

The trend recently has been for cash and bank current accounts to rise substantially while deposit accounts have increased more slowly. In the latest month, this appears to have changed, but the figures are subject to an exceptional degree of uncertainty not only because of doubts about the level of seasonal adjustments but also because of major changes in the character of the statistics collected by the Bank of England.

Publication delay

Because of these changes, aimed to give more detailed and better defined information about the banking system, publication of the figures has been delayed and no totals have been given for the money stock. Estimates have been produced on a provisional basis for the changes in the money stock on the old definitions.

The breakdown of bank deposits, now including a split between time and sight deposits, suggests that overall there was little change in the level of domestic deposits with the banking system during the five-week period to mid-May. After seasonal adjustment, total domestic deposits rose £260m.

Within the total, however, there was a large increase of £352m. in public sector deposits which it is thought was probably temporary. This was offset by a fall of a similar amount in the private sector's sterling current accounts, and it is suggested that the two movements may be related.

The fall in sterling current accounts works through into the estimated figure of M1 for the month, which shows a seasonally adjusted fall of £130m. or some 0.9 per cent., reversing the recent markedly upward trend.

On the other hand M3, which includes the public sector deposits, shows an adjusted increase of £360m., or some 1 per cent.

The figures also confirm that there was little increase in the private demand for bank finance during the latest month. Lending in sterling rose by about £230m. after seasonal adjustment, but the rise would have been less than half this size if allowance were made for a fall in official holdings of commercial bills acquired through market operations.

In contrast, the public sector borrowed something over £500m., seasonally adjusted, even though the central Government received substantial amounts of sterling through the exchange equalisation account.

More U.K. companies instal standby power generation plant

THERE has been a rapid growth in investment in standby electricity generating plant in British industry over the last two years coupled with a growing switch in fuel use, particularly in favour of natural gas.

These are the main conclusions of a survey of industrial fuel and energy use published yesterday by the Confederation of British Industry in co-operation with the Department of Energy.

The survey, although still based on a fairly small sample of companies, is the first detailed attempt to examine the end uses of energy in the industrial field. It is already being used as the basis of further examination of the energy patterns of particular industries.

On the question of on-site electricity generation, the survey concludes that some 24 per cent. of all electricity requirements among the companies responding were self-generated. Of the plant continuously operated, rather than used for intermittent operation, no less than 50 per cent. was installed in the last five years, the majority of it within the last two years.

About a quarter of the companies replying also revealed that they had changed their fuels in the last five years and that a similar number were contemplating doing so in the future.

Past changes had been largely from coal to oil and gas, but more recent trends and future intentions tended to show a move away from oil to gas, although precise conclusions remain difficult to draw because of the lack of volume information to the figures and the number of companies using more than one fuel.

The survey also gives for the first time a picture of consumer stocks of oil as well as coal, indicating a general stock level of around 3½-6 weeks for oil and 7-8 weeks for coal, varying between industries.

On the question of the cost relationship of energy to the final cost of goods, the survey goes some way to examining the variations between industries and within industries themselves.

The resulting picture ranges from food, drink and tobacco, in which energy forms up to 5 per cent. of the final cost of goods, to bricks, pottery, glass and cement, in which energy forms up to 30 per cent. to 50 per cent. of final costs.

In between these extremes are paper, printing and publishing and metal manufacture excluding the British Steel Corporation, for whom energy forms some 10 per cent. to 20 per cent. of final cost, and electrical and mechanical engineering, at up to around 5 per cent. and chemicals at up to between 20 per cent. to 30 per cent.

Following on the survey the Departments of Energy and Industry, in co-ordination with the CBI, and industry research organisations, are now undertaking individual energy audits of particular high-energy consuming industries.

"*A Statistical Survey of Industrial Fuel and Energy Use,*" *available from the Print and Publications Department* of the *Confederation of British Industry, price £2.*

Judge upholds objection to capital reduction

FINANCIAL TIMES REPORTER

A HIGH COURT judge yesterday upheld an objection by the National Bank of Greece to a scheme of arrangement affecting Hellenic and General Trust, of Bishopsgate, London, E.C.2, and involving the cancellation of 15m. Ordinary shares and a consequent reduction in Hellenic's issued share capital.

Mr. Justice Templeman said he was satisfied that the offer was—contrary to the Bank's contention—extremely fair to ordinary shareholders. But Hambros, which made the proposals on which the scheme was based, was not entitled to count the votes of its own subsidiary, Merchandise and Investment Trust, in order to obtain the necessary statutory majorities.

Under the scheme, ordinary shareholders were offered 48p cash per 10p share.

Hellenic's present nominal share capital was stated to be £5m., divided into one million 5 per cent. cumulative preference stock and 40m. Ordinary shares of 10p each, of which 15m. were issued and fully paid. In May, 1972, Hambros and its subsidiaries acquired a 50 per cent. interest—subsequently increased to 53 per cent.

The court dismissed, with costs, a petition for the sanctioning of the scheme and a consequent reduction of capital. It had been stated that, of the ordinary shares, 13,827,176 had voted. Of these, 11,707,728—held by 97 shareholders—were in favour of the scheme. Fifteen shareholders, holding 2,119,448 shares, had voted against the scheme. Of them, 2,092,800 were held by the National Bank of Greece.

Separate class

The Bank contended that Merchandise and Investment Trust ought to have been in a separate class, and that, if it had been, the requisite statutory majorities in favour of the scheme would not have been obtained.

The judge said the votes of MIT were vital to the acquisition of the statutory majorities. The petition could succeed under section 206 of the Companies Act, 1948, only by counting the subsidiary company's votes—something they were not entitled to do.

Chemicals group shuts research unit

BAKELITE XYLONITE (BXL), a subsidiary of the U.S. Union Carbide chemicals group, has closed its central research and development establishment at Manningtree, Essex. The 82 staff were informed only hours before the closure yesterday.

The unit had been shut because of "the rapidly rising cost of research and development coupled with inflation," the company said.

The closure came within a month of the decision by Nicholas International to close its U.K. research and development unit at Slough, Berkshire, where about 120 of its scientists were made redundant yesterday. The remaining scientific staff of 50 are to go over the next 12 months.

Relocated

In BXL's case, efforts are being made to relocate at least some of the staff. The work carried out by the central unit is to be kept within the divisions and some "key staff" are to be moved to the new location.

The divisions most closely involved are expanded rubber and plastics (Croydon, Surrey); flexible packaging (Darton, Yorkshire, and Liverpool) and synthetic paper (Clacton, Essex).

Projects being undertaken by the central research and development unit included the development of new grades and applications for foamed plastics. The company was looking at improved forms of flexible packaging including shrink-wrap techniques, as well as developments of its synthetic paper material—Polyart.

The fact that the company has decided to close the unit is indicative of the trading depression experienced by the chemical industry, particularly plastics manufacturers such as BXL, in the past six to nine months.

Drop divisive industry plans CBI urges

A PETITION urging the Government to drop its "divisive and irrelevant" industrial policies was delivered to the Prime Minister at Downing Street yesterday.

Mr. David Morley-Smith, chairman of the Confederation of British Industry's Welsh Council, said the petition, with 46,465 signatures, was "a spontaneous expression of the mood of people in industry and commerce" and especially of small companies and middle management. It reflected "grave disquiet at the consequences of present Government policies for British companies and their employees."

He explained that the idea for the petition had originated in Wales but signatures had been gathered throughout the U.K. from managers at all levels and representing all types of industrial and commercial undertakings. People had signed as individuals rather than as representatives of particular organisations.

The petition points to the Industry Bill, the Employment Protection Bill, the Capital Transfer Tax, and the Wealth Tax, as policies which have been "a direct cause of the collapse of business confidence."

Distillers raises whisky prices by about 7p a bottle

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DISTILLERS COMPANY, which dominates the market for Scotch whisky, yesterday announced a U.K. price increase of roughly 7p a bottle, paving the way for an export price rise in the near future.

The Distillers' announcement on price increases—forecast in the Financial Times 10 days ago—was particularly confusing as it mentioned only that the gross wholesale price had been put up from £41.58 to £42.64 a case of 12 bottles, with "increased allowances" for trade customers. These volume discounts have, however, been increased by 25 per cent. which, in effect, means that the average wholesale customer will be paying 81p a case more for Scotch and 25p a case more for gin (Distillers has the major brands Gordon's and Booth's). There is no increase for Cossack vodka.

Distillers, which has more than half the world trade in Scotch with brands like Johnnie Walker, Haig, Dewar's, White Horse, Vat 69, is under pressure from both the British Government and its rival companies to lead the way with another export increase—the first since January, 1974.

The latest adjustment to the home market price gives the group some leeway, given that it would not want the U.K. and the export price to get too much out of line.

In the past few months the price differential in home and export prices has led to the development of an unofficial export market in Scotch to Common Market countries—the so-called "parallel" market—which has particularly hit Distillers and upset its overseas agents.

In conjunction with the new price increase, therefore, Distillers is asking customers to sign contracts which, while not banning the export trade, would remove the home market discounts on the Scotch exported. This should take away the financial incentives of the "parallel" market, provided Distillers can make the contract stick.

The Scotch industry is a leading earner of foreign currency and shipped whisky worth £326m. overseas last year. The British Government, in spite of hammering the home market with a 83p-a-bottle duty plus extra VAT increase in the last Budget, would like to see the industry bringing in even more foreign currency.

The problem is, however, that all the world markets are suffering from economic problems and Scotch sales are far from buoyant at the moment. This must be the most important factor holding up a Distillers' decision.

On the home front, yesterday's price increase is the third so far this year by Distillers and, if the Chancellor's duty increase is added, it means that the cost of a bottle of Scotch has gone up by 88p or 38 per cent. since January.

To gain this latest increase, Distillers took advantage of the May 27 amendment in the Price Code which allowed it to take into account some relief for investment in plant relating to exports.

And, ironically, a big factor in Distillers' need for yet another price increase has been the extra interest it has had to find on loans raised to finance the extra duty it has had to pay since the Budget. It is estimated that the Scotch industry as a whole has some £60m. on interest-free loan to the Government because it has to pay duty when Scotch is withdrawn from bond but has to wait for four to six weeks for customers to pay back.

Other Scotch companies are certain to follow the Distillers' lead on prices. Both Seagram (Passport, 100 Pipers) and Wm. Grant (Standfast) said last night they would be going up as soon as the Price Code allowed—that is 90 days after the previous price increase.

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April production record for beer

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THERE IS still a great deal of underlying demand for beer in the U.K., according to the latest Customs and Excise statistics.

During April, the brewers rolled out 3.2m. bulk barrels (at 288 pints to the barrel) or 1.3 per cent. more than in April last year.

This brought the cumulative total for the first five months of the year to 11.77m. barrels, or 2 per cent. below the same period of last year.

The early part of last year, however, saw production statistics distorted by three-day working and a really huge jump in beer sales and production. This year's four-month performance was the best on record apart from last year, being well ahead of the 10.8m. barrels produced during the January-April period of 1973.

April, itself, set a production record and turned in the best figures since 1922 when the statistics were first collected in their present form.

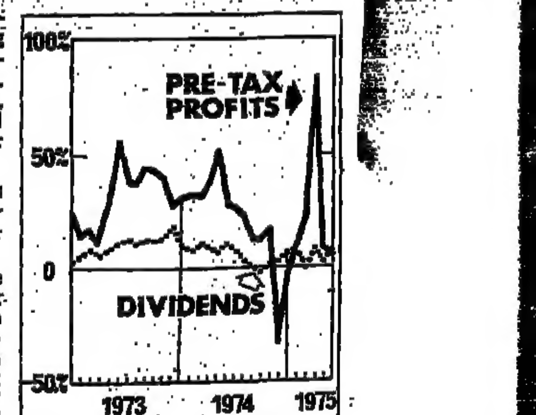
Brewers are still experiencing a great deal of trading down from the more expensive to the cheaper varieties of beer, however. This is having repercussions on the brewers' margins of profit even though they have been pushing up prices regularly in past months.

There is a good chance that beer production could claw its way back to last year's record levels, particularly as weather is a major factor in consumption and June was particularly warm.

Slower profits growth but dividends rise

BY RON PUTLAND

THE 4.5 per cent. rise in pre-tax profits by companies issuing full reports in June fell considerably short of the 8.1 per cent. increase achieved in May and, on the face of it, looks abysmal when compared with the 83.3 per cent. jump in April.



The April figure, however, was exceptional owing to the inclusion of two of the major oil companies.

A better comparison of the gradual slow-down in pre-tax profits of industrial companies so far this year is the 8.1 percentage increase in profits (less the two oil companies) for the first half of this year against 33.7 per cent. for the first half of 1974.

Dividends in June showed a 5.7 per cent. increase on those of a year ago, compared with May's smaller rise of 2.5 per cent. The monthly average increase for the first half of this year of 5.1 per cent. is still well below the legislated increase allowable of 12.5 per cent.

Of the individual companies reporting last month, Boots recorded a 3.1 per cent. increase in pre-tax profits and a rise of 8.5 per cent. in dividend, while Courtaulds confounded most market seers with an 8.6 per cent. rise in profits; the dividend went up by 8.7 per cent.

Dunlop pushed up profits by 5.7 per cent., but the dividend was cut by 2.9 per cent. Furness Withy put up an exceptional performance by lifting its profits by 93.1 per cent. and raising the dividend by 8.9 per cent.

STIPEND INCREASE FOR METHODISTS

The Methodist conference in Liverpool yesterday approved increases in stipends from September 1, giving salaries ranging from £1,860 for probationers ministers with up to 10 years' service to £2,000 for more than 39 years' service.

Today's Events

GENERAL

Sterling, gold and convertible currency holdings at end of June published.

National Economic Development Council meets and will discuss role of NEDC and manpower planning.

Gingerbread, an association which helps single-parent families, will march through London and lobby Parliament.

Mr. Oscar Hahn, chairman of GKN fastener division, speaks on investment attitudes in British industry, to Institution of Works Managers, at Royal Society of Arts, London, 2.30 p.m.

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of Industry Bill.

House of Lords: Debate on White Paper "Food from our own resources" and CAP stocktaking. Short debate on closing of short term residential colleges because of present conditions of financial stringency.

COMPANY RESULTS

AD International (full year). Chubb and Son (full year). Magnet Joinery (full year). Renold (full year). Gough Cooper (half year).

COMPANY MEETINGS

Alliance Investment, 1, Laurence Pountney Hill, E.C., 2.30. Altifund, 2, St. Mary Axe, E.C., 3. Ash Spinning, Shaw, 10.30. Bensons International Systems, 59, Gresham Street, E.C., 3. Brixton Estate, 2, Ely Place, E.C., 12. Flight Refuelling, Painters Hall, E.C., 12. Intereuropean Property, Winchester House, E.C., 10.30. Rowton Hotels, London Park Hotel, S.E., 12. Sainsbury (J.), Connaught Rooms, W.C., 12. Scottish Heritable Trust, Glasgow, 12. Senincourt, Dorchester Hotel, W., 12. Sheffield Twist Drill, Sheffield, 12.15. Shellabear Price, Surrey, 12. Transatlantic and General Investments, Three Quays, Tower Hill, E.C., 2.35.

SPORT

Cricket: Benson and Hedges Cup semi-finals. Leicester v. Hampshire, Leicester; and Warwickshire v. Middlesex, Edgbaston.

هكذا ابن الأصل

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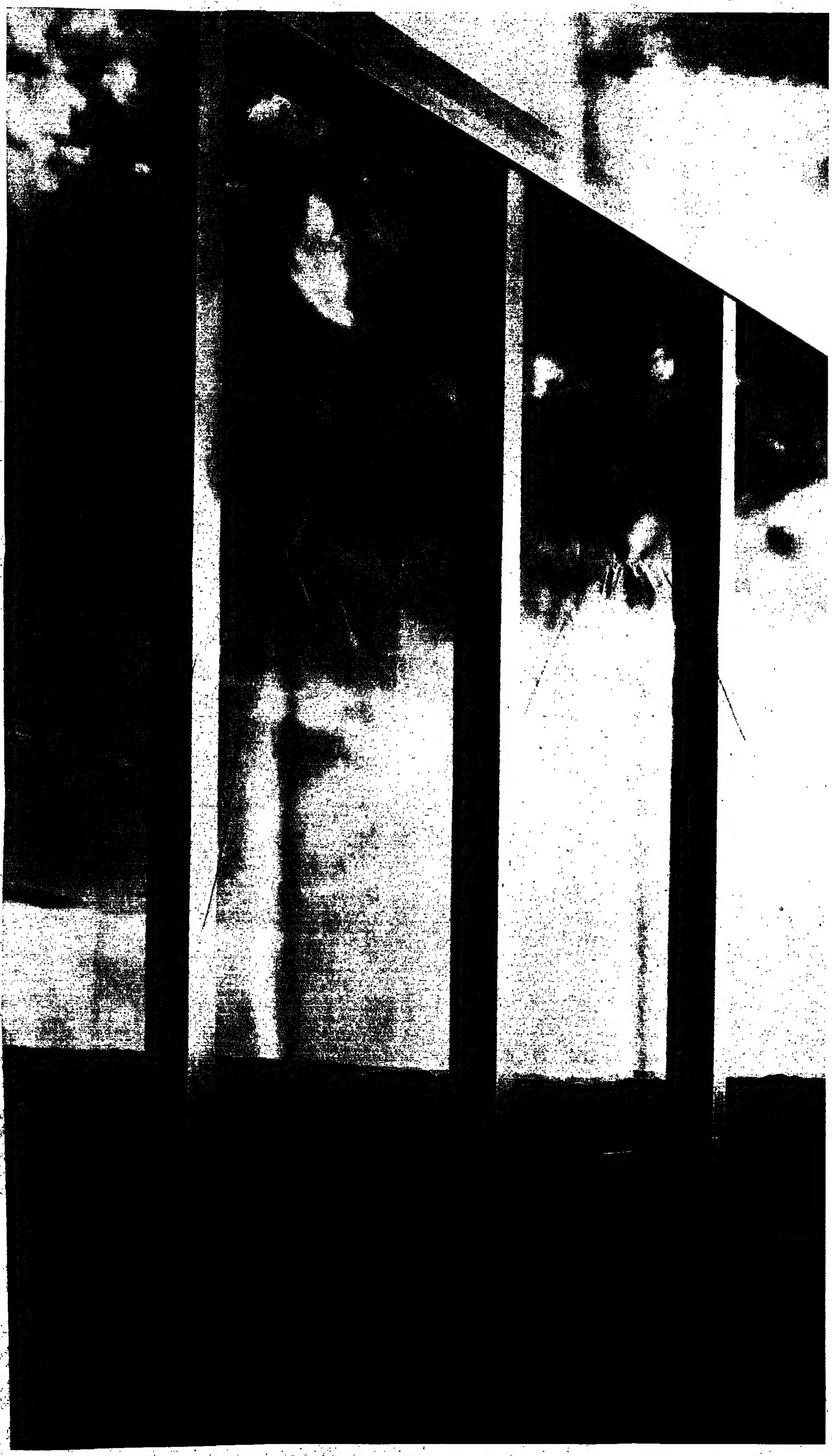
They don't make glass like they used to.



Once upon a time, glass was just glass.

It protected you from the rain, and to some extent from the cold. You could see through it. It was cheap.

It is time we shed our reticence about what glass can do today.

Back to nature.

The glass developed by modern technology (British technology, you'll be glad to hear) no longer competes with the environment. By reflecting it, sometimes with its own hue added, it can blend as near totally with its surroundings as is humanly possible.

Yet the stunning appearance it can give an exterior is almost trivial beside its effect on the interior environment.

The right glass can admit the light of the sun but exclude both its distracting glare and the build-up of excessive heat.

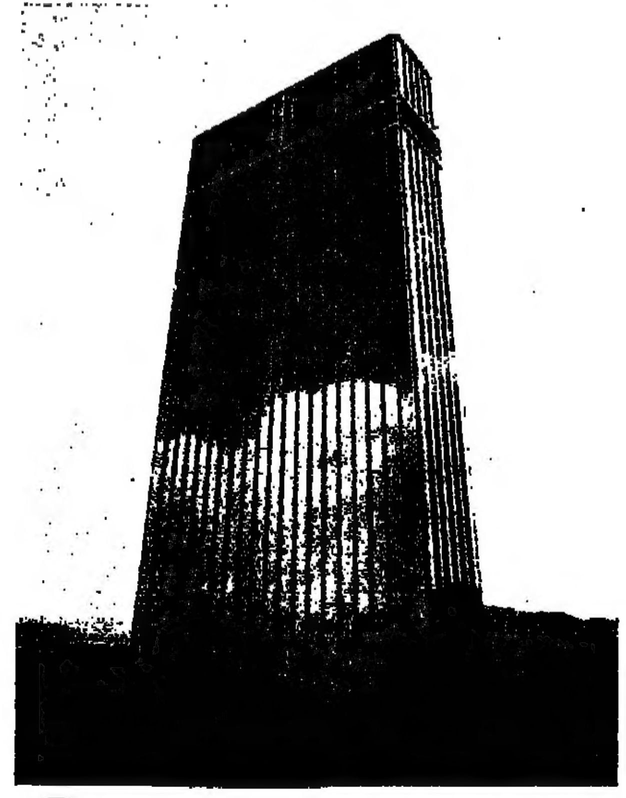
It can reduce external noise to external peace.

It can substantially reduce both heating and air conditioning requirements.

Its mirror effect can give the occupant his view from the inside but privacy from without.

And even the most expensive there is – a double glazed unit coated on one surface with 24 ct gold – will more than justify its cost by the savings on heating and cooling plant alone.

Glass just isn't glass any more.



PILKINGTON

Glass. We make it work harder for you.

PARLIAMENT

Healey brakes to 10 per cent.

BY PHILIP RAWSTORNE

MR. DENIS HEALEY'S heavy hand on the brake of the inflationary merry-go-round threw the Commons—and apparently the Cabinet — into a spin yesterday.

With more than a touch of symbolism, Mr. Michael Foot ended another spirited defence of the social contract and left the Government front bench to make way for the Chancellor.

Mr. James Callaghan and Mr. Roy Jenkins buttressed the Prime Minister against the Tory taunts which preceded the Government's statement of intent.

And Mr. Anthony Wedgwood Benn registered his feelings from a distant corner.

The Government—"My Government," said Mr. Healey amid Tory jeers—was determined to restrict pay and dividend increases to 10 per cent. and would use a battery of weapons to do so.

"We would much prefer to proceed on the basis of a voluntary policy . . . but a voluntary policy will not be acceptable to the Government unless is satisfies the targets and includes convincing arrangements for ensuring compliance."

As Mr. Enoch Powell demonstrated the repetitive cycle of political history by pointing to Mr. Edward Heath, the Chancellor added that failure to meet these conditions would oblige the Government to impose legal sanctions.

Mr. Healey's statement was heard in sullen silence by the Labour Left-wing and greeted with bursts of laughter from the Tories.

Sir Geoffrey Howe, the "shadow" Chancellor, welcomed the fact that the Government at last had begun to grapple with the consequences of its "profligacy, deception and incompetence." Using Tory policies too, he added—pressing into the Chancellor's hand further measures like the abandonment of nationalisation and cuts in public spending.

The Tories had so many policies, it would have been impossible not to have adopted some of them, retorted Mr. Healey. But reductions in nationalisation or public spending could have no effect in the rapid curbing of inflation.

The rate of inflation could only be lowered by securing substantially lower pay settlements, the Chancellor insisted, as Mr. Eric Heffer thrust himself in the Government's path towards a statutory policy.

"We would prefer to achieve this objective by voluntary means, but achieve it we will," Mr. Healey trumpeted, rallying support on Labour's Right-wing for his "resolute and positive" act.

"I believe there will be overwhelming public support," Mr. Healey continued optimistically as he faced further assaults from the rebellious Left and the Tory monetarists.

"Brutal and unacceptable," declared Mr. Norman Atkinson, raising the Tribune Group's banner against the cut in living standards.

"Futile and irrelevant" snapped Mr. Powell, echoing Mr. Nicholas Ridley's cry from the Tory benches.

But the Chancellor, stressing his duty, advanced undaunted towards a position which a perplexed Mr. Alex Fletcher (C., Edinburgh North) identified as almost precisely that occupied by the Commons in February 1974.

Foot pins his faith on social contract

Financial Times Reporter

REPLYING TO questions before the Chancellor made his statement, Mr. Michael Foot, Secretary for Employment, left the impression that he is poised on the brink of resignation.

His dilemma was highlighted by Mr. John Biffen (C., Oswestry) who recalled the Minister's "long-standing and honourable record" of inveterate opposition to statutory control of incomes and asked if the House could assume that he would regard any measure of statutory control of incomes as a resigning issue.

Mr. Foot replied: "I am very grateful that you have followed my career so carefully for so long a period. I hope you will be able to follow it in future with the same acclaim and approval."

He was then pressed by Mr. Eric Heffer (Lab., Walton), a leading member of the Tribune Group, for an assurance that there would not be a statutory incomes policy.

Amid Left-wing Labour cheers Mr. Heffer warned the Government against falling into the trap of an "either or" situation — "either a statutory incomes policy or excessive unemployment."

Mr. Foot stated: "I certainly want to do everything possible to avoid both an increase in unemployment and the imposition of any system of statutory control on wages.

"I believe that one of the best ways of helping to ensure that neither of these perils occur, or these dangers develop, is by ensuring that we carry out the kind of proposals that were in the guidelines under the social contract and the kind of proposals which the TUC has been discussing with the Government for implementation over a coming period."

Mr. Foot also reaffirmed his belief in the principles of the social contract after emphasising that he was not satisfied in any sense whatever with the current level of unemployment.

"The reversal of the present deplorable trend can only be achieved by intelligent policies agreed between the Government and the trade unions to combat inflation."

Mr. Foot dismissed as a complete misapprehension the idea that the level of wage settlements was the sole cause of inflation and insisted: "I believe the understandings of the social contract still point the way in which we can overcome our problems."

We would prefer voluntary policy but targets must be met

THE GOVERNMENT will have to legislate to enforce a 10 per cent. wages and dividends limit if agreement is not reached to satisfy its targets for reducing inflation, Chancellor of the Exchequer Mr. Denis Healey said in the Commons yesterday.

"We would much prefer to proceed on the basis of a voluntary policy agreed with the CBI and TUC. But a voluntary policy will not be acceptable to the Government unless it satisfies the targets it has set for reducing inflation and includes convincing arrangements for ensuring compliance," he declared.

The Chancellor said that the Government would announce its decisions in a White Paper to be published before the end of next week.

He added: "The Government is determined to bring the rate of domestic inflation down to 10 per cent. by the end of the next pay round and to single figures by the end of 1976.

"This means the increase in wages and salaries during the next pay round cannot exceed 10 per cent. The same limit is being set for dividends."

The Chancellor said that the Government had already reached an advanced stage in preparing measures which were fair and just. "These measures will ensure that all sections of the community share the burden fairly."

The Government's measures would set out how the 10 per cent. limit for settlements should be expressed; for example, as a percentage of flat rate or some mixture of the two.

Mr. Healey: "They will describe how the Government can satisfy the public that the limits are being observed. They will also cover action to check the rate of price increases as the rate of pay inflation slows."

Conservatives reacted noisily as Mr. Healey said. "They will deal with the central problem of compliance. It is no good having an agreed limit for pay increase unless we are certain it will not be exceeded."

Mr. Healey stressed: "In particular, we must be able to satisfy those who settle early in the round that they will not be left behind by latter settlements at an excessive level. I know the TUC attaches special importance to this.

"The Government will use a battery of weapons for this purpose. We propose to fix cash limits for wage bills in the public sector so that all concerned may understand that the Government is not prepared to foot the bill for excessive settlements through subsidies or borrowing or by loading excess costs on the public through increases in prices and charges."

Confession

"We will take action through the Price Code to encourage compliance by private employers." He planned to employ the system of cash limits more generally as a means of controlling public expenditure in the short term.

The Government was already consulting the TUC and the CBI about the proposals. It welcomed the efforts the TUC had already made to arrive at a plan for fower pay increase in the next round

Sir Geoffrey Howe, "shadow" Chancellor, said: "The House will welcome the fact that the Government has at last begun to grapple with the nation's economic problems.

"The fact that the Government has been obliged to make this statement to-day is a confession that it has had to accept policies we have urged for the past 16 months. It is also a confession of the Government's failure during those 16 months of deception and incompetence."

Sir Geoffrey said he was concerned that the implication of using price control in the private sector could have its effect on successful businesses, on jobs and employment.

Sir Geoffrey added: "I am gravely disquieted by the fact that there is no reference to the abandonment of further plans for nationalisation or the extent of public spending."

Mr. Healey replied that there had been so many policies from the Tories in recent weeks, that he must have adopted some of them.

There was no way of bringing down the rate of inflation quickly, except through direct action on the level of wage settlements.

He accepted that a prices code had borne heavily on many companies, but not more heavily than would be the effect of making settlements in excess of a figure which he hoped would be endorsed.

Mr. Healey added: "It is quite ridiculous to imagine that changes in Government policy for nationalisation, or cuts in public expenditure, will have the slightest effect on the time-scale which is essential to produce results."

Pledges

Mr. Eric Heffer (Lab., Walton) said that certain aspects of the Chancellor's statement would not be "widely welcomed on this side of the House.

"In fact, there is a very clear indication that the Government is steadily moving towards a statutory incomes policy, which is quite contrary to the election pledges we gave to the people of this country.

Mr. Healey replied: "All of us on this side of the House fought the last General Election on a manifesto which pledged us to treat the reduction of inflation as our first and overriding priority.

"Can I ask you to recognise the truth of the statement repeatedly made by leaders of the trade union movement, that it is not possible to bring the rate of inflation down without achieving substantially lower pay settlements in the next pay round.

"What I have sought to do is to point out to both sides of industry that we would prefer to achieve this objective by voluntary means, but achieve it we will. I believe the whole country will recognise this as our duty and I hope we will have the overwhelming support from the people of this country when we carry this duty out."

Support

Liberal spokesman Mr. John Pardoe pledged his support for the policy outlined by Mr. Healey, but said that to reduce pay increases to 10 per cent. "will involve a substantial decrease in the standard of living of all of us in this country."

It was "absolutely impossible" to achieve such a reduction by voluntary means. "What you have said amounts to acceptance of what we have argued for the past ten years. This country must have a statutory incomes policy or fail," he told the Chancellor.

Mr. Healey replied that the reduction needed in the standard of living was "nothing like as great as I have seen it stated in some newspapers."

Real take-home pay—the pay of people corrected for inflation and after deduction of tax and insurance contributions—would actually rise for people on two-thirds average earnings, but it would reduce for those on above average earnings.

"It would be temporary and I believe there will be overwhelming public support for seeking to correct this very damaging inflation by sacrifices now, rather than remaining on an inflationary merry-go-round which will ultimately destroy the whole of our country."

Voluntary

Mr. Peter Tapsell (C., Horncastle) said that the measures announced by the Chancellor would go even further towards reassuring international opinion if, before the summer recess, he was able to announce a programme of immediate public expenditure cuts, and also bring forward legislation to give him reserve powers to keep the rise in incomes to the 10 per cent. that would be needed during the summer.

Mr. Healey said the Government would have to make up its mind in the next week on whether it could place reliance on maintaining an adequate level of settlements over the next 12 months on a purely voluntary policy.

"If the Government decides it is not able to place this reliance on a purely voluntary policy, it will be necessary for some legal framework of policy, probably involving some use of reserve powers."

"To increase unemployment by cutting public expenditure cannot in any sense help

Discrimination Bill changes

THE SEX Discrimination Bill is to be extended by means of amendments during its committee stage in the Lords, the Minister of State Home Office, Lord Harris of Greenwich, said in the Lords yesterday.

Moving the second reading of the Bill, he said that the Government proposed to introduce an amendment to permit the Manpower Services Commission, the Industrial Training Boards and other bodies to arrange special training courses for women who, because of domestic responsibilities, had been out of the labour market.

Another amendment would permit trade unions and other bodies to retain or introduce special arrangements to ensure that at least some of the seats on elected committees would be filled by a person of the sex not normally represented on it.

Lord Harris said it was intended that the Bill should be brought into operation on December 29 this year, the same date as the Equal Pay Act.

Heseltine sees industry policy as threat to jobs

BY JOHN HUNT

THE HIGHEST unemployment levels since the war are likely to result from the Government's industrial policies, Mr. Michael Heseltine, "shadow" Industry Secretary told the Commons last night.

He was speaking at the start of the three-day report stage of the Industry Bill, which establishes the National Enterprise Board, introduces planning agreements and forces companies to disclose information to trade unions. The Bill has now come back to the Commons with considerable Government amendments since the committee stage.

Mr. Heseltine maintained that the industrial and economic policies of the Government were very far from achieving the stated object, which was to regenerate British industry.

In reality, industrial investment was going to decline by 15 per cent. in this country next year. The people who would suffer most would be those in Scotland and Wales.

"Unemployment in this country will be at the highest levels since the war, and the highest level of all will be in Scotland and Wales," he said.

It was a travesty of the industrial priorities with which the Government should be dealing. Scotland and Wales would find that the Bill would threaten more jobs and destroy more investment. The effects would be worse than at any time during the last two decades.

Mr. Heseltine, who was speaking in support of a series of Scots Nationalist amendments, was accused of opportunism by Mr. Gerald Kaufman, the new Under-Secretary for Industry. He accused the Conservatives of attempting to defeat the Government by uniting with the Scots Nationalists.

The Tories, he said, simply wanted to wreck the Bill. According to Mr. Kaufman, the purpose of the legislation was the restructuring and reorganisation of industries on a nationwide basis. But this was not the only purpose. It was also intended that it should result in the extension of public ownership into profitable areas of manufacturing industry. It was a public ownership Bill.

A Scottish Nationalist amendment seeking to give the Scottish Development Agency more power compared with the NEB in implementing policies in Scotland was defeated by a Government majority of 23 (240-217).

The Conservatives pressed an amendment that the members of the NEB should be appointed from those who had a wide experience and a proved capacity in industry, technology, commerce, finance, administration or the organisation of workers. It was defeated by a Government majority of 23 (238-215).

BNOC assurance by Minister

By Adrian Hamilton

THE GOVERNMENT has promised to structure the financial regime for the proposed British National Oil Corporation to ensure that it acts commercially in partnership with the oil companies even though it will formally be relieved from the obligation to pay the Petroleum Revenue Tax.

Announcing this in the Commons yesterday, Mr. John Smith, Under Secretary for Energy, said that the Government recognised the oil industry's worries. He added that the Energy Secretary, Mr. Wedgwood Benn, was willing to meet the operators of the exploration groups for talks on the matter.

The Government, however, refused to change the Petroleum Bill to ensure that the BNOC does pay the tax.

Instead, Mr. Smith assured Opposition MPs that the Corporation would transfer oil to any refining subsidiary at the market price to avoid undue commercial advantage. And its accounts would be fully audited to make sure that the PRT exemption would not become a hidden subsidy.

An Opposition amendment to prevent the exemption in the Committee stage of the Petroleum Bill was defeated.

Films quota unchanged

THE LEVEL of quota of British films to be shown by exhibition during 1976 is to remain unchanged, Mr. Eric Deakins, Under-Secretary for Trade, announced in the Commons.

He told MPs: "The Cinematograph Films Council has recommended that there should be no change in the level of exhibitors' quota at 30 per cent. for first feature films and 25 per cent. for supporting programmes for the year beginning January 1, 1976. This advice has been accepted."

Barnett hints at relief for share 'dividends'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT yesterday foreshadowed concessions to the Finance Bill provisions imposing higher rate tax on "dividends" received in the shape of additional shares instead of cash.

Relief to be considered by Ministers between now and the report stage of the Bill along with assurances given by Treasury Chief Secretary Mr. Joel Barnett would ensure particularly that shareholders in investment trusts and in companies where reconstruction, amalgamation or merger was involved would not fall foul of the "stock dividends" provisions of Clause 31.

Mr. Barnett acknowledged that in circumstances outlined from the Opposition side by Mr. Peter Hordern (C. Horsham and Crawley) shareholders might suffer unfair treatment.

The situation Mr. Barnett had in mind was where holders of certain shares in investment trusts would be "locked in" to the acceptance of "stock dividends" whether they wished it or not. This was an outcome he agreed was undesirable.

The Minister proposed to look sympathetically at this situation with the idea of bringing forward a suitable Government amendment. On the other aspects involving mergers and amalgamations, Mr. Barnett said it was not the Government's intention to catch this type of transaction.

He promised that the clause would be looked at again to ensure that this was the case.

A testing time for Cabinet

BY DAVID WATT, POLITICAL EDITOR

THE CHANCELLOR'S statement yesterday was the outline of a programme of action designed to reassure Britain's creditors; but the essence of it was the threat to the trade unions. The promise to introduce statutory incomes policy if a voluntary policy is not forthcoming was both the cornerstone of the strategy and, politically speaking, the critically sensitive point. Without this, the package would have been easily accepted, but it would have been pointless.

The question

By far the most important question at present is therefore whether the threat is a credible one. Would the Cabinet actually be able to agree upon a statutory policy, if necessary? If it could not agree, could it survive? If it could agree, would it be able to work its will through the present House of Commons?

The answer to the question about the Cabinet is that total agreement there is still wildly improbable, and any assumption that Mr. Healey would not have been allowed to come down to the House of Commons and threaten statutory policy unless all his colleagues were prepared to permit one can be discounted. The economic crisis, and particularly the crescendo of pressure upon sterling, has enabled the Treasury to sell statutory policy to Mr. Healey as a backstop to a satisfactory voluntary agreement. Mr. Healey and events between them have sold it on the same basis to the Prime Minister—a much more difficult task in view of Mr. Wilson's repeated and vehement denunciations of statutory policy as recently as last month.

Ministers to the right-of-centre though in some cases sceptical, have always been prepared to accept statutory incomes policy as a lesser evil than excessive cuts in public expenditure or massive unemployment. There is a body in the centre of the Cabinet which will go with the Prime Minister. The problem, obviously, will arise with the left-wing ministers, in particular Mr. Foot and Mr. Benn (Mrs. Castle and Mr. Varley might more easily be persuaded to follow Mr. Wilson). We may be virtually certain that these two have not given any pledge that they would remain in a Government which interefered drastically with the process of free collective bargaining. Their possible resignation, therefore, still hangs poisd above Mr. Wilson's head.

The hope

Mr. Wilson must obviously be banking on the hope that the TUC will prevent crisis by tosing the line, and as a matter of prediction this is far the most likely outcome. Certainly there will be tendency even amongst moderate ministers to interpret any concession by the TUC as generously optimistically as possible in order to prevent the "crunch" occurring. The combination of cash ceilings in the public sector, widepsread public expenditure cuts, and a voluntarily agreed wages norm is still the preferred strategy.

But supposing something goes wrong, and the union's offer cannot by any stretch of the imagination be called satisfactory? In that case the resigni[ng] ministers would be put in [an] awkward spot, but one or bo[th] of them might still decide to [go]. Their departure would ma[ke] certain what would otherw[ise] only be a probability—nam[ely] that the Tribune Group in P[ar]liament would move into alm[ost] permanent opposition to t[he] Government on economic poli[cy]. This fact would not prevent t[he] Government getting the nec[es]sary legislation for the statut[ory] policy since large sections of t[he] Conservative Party would [no] doubt abstain. Thereafter wo[uld] come the summer recess, b[ut] the real trouble would beg[in] with the Party Conference a[nd] the autumn session parliame[nt].

Reduced

The very unpleasant nat[ure] of this vista suggests that [a] number of ministers would [not] have let Mr. Healey make [his] statement unless they had be[en] virtually certain that they wo[uld] not have to traverse it. On t[he] other hand they may find t[hat] the Treasury has outwit[ted] them, for having got his p[er]mission to use the magic wo[rds] "statutory policy" Mr. Hea[ley] has effectively reduced his o[wn] and the Government's room [for] manoeuvre and retreat. He [has] not entirely cut off the cha[nce] of escape for it is still o[pen] to the Cabinet to decide wheth[er] or not the proferred volunt[ary] policy is adequate. But ev[en] this line of retreat may not [be] as easy to follow as so[me] ministers suppose since t[he] foreign exchange market m[ay] have a view on the subj[ect] which is even more compelli[ng] than any arguments produced [at] the Cabinet table.

The pattern of claims and the snags ahead

BY JOHN ELLIOTT, LABOUR EDITOR

THE END of the current pay round which has seen pay rises soar from under 20 per cent. last summer to around 40 per cent. has been heralded by politicians and other observers for some time. With the important exception of the seamen, however, who yesterday decided to hold a strike ballot on their 37 per cent. arbitration award, the end has only been approached in the past few days.

In a formal way it was marked yesterday by Mr. Jack Jones at his Blackpool Transport and General Workers' Union conference which heralded the new policy now to be imposed by the Government if it is not voluntarily agreed first by the CBI and TUC.

Barring the seamen, whose national executive members yesterday apparently did not know about Mr. Healey's speech because they were locked up in their union headquarters' council chamber, almost all major groups have now settled. The railwaymen's deal of around 30 per cent. agreed nearly two weeks ago was followed by 200,000 industrial civil servants accepting 29 per cent. rises last Friday while local council white collar staffs agreed to 25 per cent.

Unhappy

At the same time ICI was paving the way with its manual worker unions for solving its widespread pay strikes with a 26 per cent. deal whch also provides new thresholds. General chemical workers employed elsewhere in the industry can now be expected to settle soon as can others although leaders of 15,000 blastfurnacemen in the British Steel Corporation yesterday refused to follow other major steel groups which have recently settled for around 25 per cent. in deals to be reviewed at the end of the year.

Of those groups with claims outstanding, the main problems are likely to come with those who are already unhappy with their current pay rises because of the rocketing cost of living. These include British Leyland workers at Cowley who, having accepted relatively low rises of 16 per cent. earlier this year because of the group's financial problems, now want the money topped up. Similar pressures are also apparent elsewhere in the private and public sector although the rash of interim claims which had seemed possible earlier this spring has not yet materialised.

But whether this position alters and many interim claims are lodged depends partly on the mood of the miners annual conference next week and partly on the successful implementation of a £25m. a year pay differentials award for local council workers. Also in the public sector, firemen want some extra money now on account of a job evaluation exercise and are now staging industrial action in support of the demand.

All these groups have the power to stage a major confrontation against any new policy and all of them can be expected to try to rush their negotiations through to settlements before the deadline of the end of next week is reached. If they succeed and it is made clear that the new policy will only apply to the next pay round, there could well be a lull in major wage bargaining for some time, especially in the public sector where the annual negotiations need not start till October.

But the normally neat pattern of annual bargaining has been upset by inflation and in whatever form the new policy finally emerges, it will have to take account of the fact that some groups—like the steelworkers—have settled for less than a year while others have threshold and other price-indexation arrangements running.

Postmen, for example, received £2 a week extra when their threshold "triggered" with last month's retail prices index, while both Ford and ICI will "trigger" when the index, now at 134, rises to around 150. Pilkington has just agreed a formula for its glassworkers which is about to "trigger" while British Airways will start threshold payments when the index reaches 140. Kodak workers have already had 12 per cent. threshold payments. All these arrangements have been introduced despite Government disapproval. They generally give 1 per cent. pay rises for each 1 per cent. rise in the price index beyond the "trigger" point although some pay 40p or 50p per point, while others have clauses stopping payments after a set period.

Looking ahead to the new claims which will have to be toned down in line with new policy the biggest to be expressed so far in precise p[ay] terms has come from two [of] the unions representing 1½ [m.] local council and hospi[tal] manual workers. This clai[m], like the amounts of money [ex]pected by other groups, is [far] greater than the 10 per ce[nt.] planned by the Chancellor [of] the Exchequer. It introduc[es] a 33⅓ increase in the worke[rs'] present £30 minimum ra[te] which, if it were converted [to] a flat rate would coincide wi[th] the £10 a week envisaged [by] some TUC leaders. But [it] would still be outside any p[os]sible Government policy f[or] next winter. Mr. Jack Jon[es] is also in favour of raising t[he] TUC's weekly minimum wa[ge] limit from £30 to £38 and t[his] again would be out of o[rder] even if the 10 per cent. ta[rget] were converted into a cash [sum] because the Government's [flat] rat target would then be £[...] £6.

The message

At the end of a pay r[ound] which has seen the TUC [...] guidelines "going rate" [con]solidate around 30 per [cent.] with some offers going as [high] as the seaman's 37 per c[ent.] the Chancellor's state[ment] therefore means that wor[kers] must reduce their expectat[ions] by at least two-thirds or m[ore]. This is the message which [the] Prime Minister will spell [out] when he goes into the lion's [den] of the miners' conference [at] Scarborough next Monday [to] appeal to them to forget [...] muscle and to fall into [line] with the plans for ever[yone] else. But he will also [re]member that it was the sea[men] and not the miners who [in] 1966, hit his Government [and] the country's economy wi[th a] crippling strike.

MAJOR OUTSTANDING CLAIMS AND SETTLEMENTS IN THIS WAGE ROUND

40,000 SEAMEN	Strike ballot on 37 per cent. arbi[tra]tion award
57,000 ICI MANUAL WORKERS	Finalising 26 per cent. deal incluc[ing] new threshold arrangements
60,000 GENERAL CHEMICAL WORKERS	Rejected 23 per cent.—talks Fri[day]
50,000 GAS WHITE COLLAR WORKERS	Rejected 25 per cent.—talks a week
25,000 BANK WORKERS	Abritration pending
15,000 BSC BLASTFURNACEMEN	24 per cent. offer rejected
9,000 KODAK WORKERS	28 per cent. claim plus threshol[d]
17,000 BL COWLEY WORKERS	Interim cost of living claims b[eing] drawn up
4,000 LONDON AND SOUTHAMPTON DOCKERS	Interim cost of living claims lo[dged]
27,000 FIREMEN	Interim cost of living claim negotiation—talks Friday
400,000 LOCAL COUNCIL MANUAL WORKERS	£25m. pay differentials arbitra[tion] award to be finalised next wee[k]

PACE-MAKING CLAIMS FOR THE NEXT WAGE ROUND

1½m. LOCAL COUNCIL AND HOSPITAL MANUAL WORKERS	Union conference demands for minimum rate to rise to £40 extras
2¼m. ENGINEERING AND SHIPBUILDING WORKERS	Union conference demand [per]centage based "substantial" incr[ease]
260,000 MINERS	Union conference next debates claims for 66 to 90 per [cent.] rises
250,000 RAILWAYMEN	Conference calls for up to 3[0 per] cent. being debated

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FINANCIAL TIMES REPORT

Wednesday July 2

SOUTH COAST DEVELOPMENT

Blessed with fine countryside, rich agriculture and a healthy industrial and commercial life, the South Coast is not at the forefront when it comes to regional development policies. However under the surface there are conflicts. The central problem is how to balance the pressures of economic development with the need to conserve the environment which helps to attract that growth.

Veneer of tranquil beauty

New traffic flyover in Bournemouth.

THE SOUTH EAST of Britain has been regarded as an area of great prosperity, blessed with a beautiful countryside, rich agriculture, a healthy industrial and commercial life, centred on London, and a superb coastline. Because the problems of almost all the other regions of Britain have been frequently highlighted through Government designation for development or in unemployment statistics, the image of the South East as an untroubled corner of the island remains.

This image of serene prosperity is not entirely justified by the facts, particularly perhaps along the coastline which is the concern of this survey. The pressures that come through the combination of prosperity and all the other factors that sometimes work in conflict in this part of the world are causing headaches for those who have to examine the progress of the area and plan for the future. The problems of conflicting interests have been brought into sharp relief as the various county planners have sat down in recent months to work out their structure plans for the 1980s and beyond.

Pressure

The central problem is how to balance the pressures of development in terms of industry, commerce, roads and housing with the need to conserve the great attributes of an environment that acts as a magnet to those searching for a good place to live and work; those looking for a base from which to commute to London; those wishing to retire to pleasant surroundings; and the holidaymakers and day trippers who regard the coastline as one of Britain's holiday centres. It is inevitable that between these groups there are areas where interests directly clash, and when the attitudes of the indigenous population, including the important farming community, are added it begins to be surprising that this part of the world contrives to retain its serenity.

Travelling the coastline from Margate round to Bournemouth, one comes across the same story of conflicts of interests everywhere.

Contrary to popular belief, there is by no means full employment in the South East, for instance, Thanet, to take the most obvious example, has been something of a thorn in the side of Kent for some years in terms of employment. It will doubtless come as something of a surprise to many that in February of this year, according to Department of Employment figures, 3.2 per cent. of the working population of the county were out of a job—significantly higher than the national average at the time.

In the Thanet town of Margate; for every two vacancies there are nine men unemployed, and in Deal unemployment is running at well over 7 per cent. Of course this is not the picture everywhere along this coastline, but there are pockets, like Thanet, that have quite serious employment problems.

The Kent coast is specially vulnerable, since London is close enough to pull industry to the north of the county. It is the market and the source of supply, and transport costs make the Kent extremities just a little too far, even though there is land and labour available. The holiday business has taken something of a beating in this part of the world in recent years, and even though there are clear signs of a recovery the kind of holiday places like Margate and Ramsgate cater for these days just does not require the labour needed in the past.

Yet in Dover, further down the coast, where the port is thriving and gleefully taking advantage of Channel Tunnel cancellation, the pressure is a different one. Nearly all the available land has been built on by now. Any great expansion would involve moving up on to the high land above the famous cliffs, and that is guaranteed to arouse feeling—the same feeling that hates to see its town clogged with commercial and holiday traffic. Yet it seems that Dover, despite its port importance, cannot attract office development—a large office block has been standing empty for two years now.

With the completion of the motorway network involving the M.20, the M.2 and the M.25, Kent, with its important port link at Dover, is not only going to be opened up further to London and Continental Europe, but to the Midlands, too. For when vehicles can go round London on continuous motorway, Dover must appear even more attractive than hitherto. The conflicts that the great truck traffic already brings can only be accentuated.

Moving round the coast into East Sussex, one finds the county—one of the first to produce a much-praised structure plan—talking about "maintaining prosperity" as the keynote. In this county, once again, in places like Hastings and Bexhill holiday business has fallen off in recent years and great efforts have been made to diversify the economy.

Balance

The most obvious example of this intention is Hastings where the former Borough Council, now a district, initiated a Town Development Scheme under the GLC nomination system. The aim is to add 18,000 people by 1976. Industry is being attracted, the Civil Service, for instance, is taking office space, and the clear intention is to restore a population balance less heavily weighted to the retired and make up for lost tourism ground.

Eastbourne, without giving quite such formal expression to it, has a similar approach, though tourism is somewhat healthier there, with developments like the marina likely to go ahead.

For Brighton, the structure plan policy is clearly restrictive, and Michael Parker, Assistant County Planning Officer, makes no apology for this. He believes there should be a limit on new employment in the Brighton area and says there would be "too much pressure on available resources in terms of land, housing and infrastructure."

In Brighton, tourism is not as important as service industry, and office development has therefore obviously been pursued here, with 900,000 square feet currently in the pipeline. With its university and polytechnic, Brighton is also an education centre and caters for many foreign students, too.

Michael Parker acknowledges that the stated policy for Brighton must be constantly reviewed. "If there is an adverse effect on Brighton and Hove we must adapt accordingly," he says.

One of the problems for the future in this area is that Brighton, in East Sussex, is administratively cut off from the great expansion area of Crawley/Gatwick, which must have such a bearing on its future. This "Brighton Corridor," as it has been called, poses great problems for the West Sussex county in which it lies. This area was earmarked as one of the major growth zones identified in the Southeast Strategic Plan.

John Beard, Assistant County Planning Officer in West Sussex County—busily getting to grips with his own structure plan—acknowledges the inbuilt impetus for growth in the "corridor," and says his council tends to feel that while it is happy to make provision for locally induced factors it would prefer employment not to be steered positively towards the area. A concern about resources leads them to look to central Government for help.

Rapid growth of the kind this area is getting costs money, and the argument that this brings more rateable value and more rates to the county does not go down too well in a conservative county that would prefer none of its area of responsibility to be officially designated for any expansion. Also, and this ties in with the East Sussex philosophy, the regional plan shows growth concentrated in the West Sussex hinterland area, with almost none on the coast. Historically, the pattern has been the reverse, as John Beard points out, with very rapid population growth in the coastal towns and an actual slowing down in what is now designated growth area. The problems of slamming the brakes on in one area, and pressing the throttle in another, to completely swop the trends, cannot be painless.

Moving into Hampshire, the story is in some ways similar, with the South Hampshire Structure Plan earmarking important hinterland areas for expansion, but envisaging significant continued growth of the Southampton-Portsmouth complex as well. This area is the greatest industrial and commercial centre on the south coast, and if all goes to plan South Hampshire as a whole will be a great concentration point for important changes.

Damage

Again, in Hampshire, there is the conflict between conservation of some beautiful pieces of England, rich farmland, a tourist industry and sailing centre, and the industrial, commercial and port pressures that are there and must be planned for if they are not to do more damage to the environment through their growth.

A problem that serves to aggravate the controversies all along this coast is that not only are the pressures operating in different directions, but the nature of those pressures changes from time to time. Tourism is an example of this. One of the great spurs to a place like Hastings when it was considering widening its employment basew as the decline ployment base was the decline package tour operator and the general change in holiday habits.

Now, with the problems of the package tour operators and the devaluation of a floating pound making holidays abroad expensive, there has been a great swing back to the British holiday — Eastbourne hoteliers report full bookings to mid-September and beyond, for example. So having embarked on a course to diversify out of tourism, the towns along the coast are suddenly experiencing an upsurge.

The planners, of course, refuse to be deterred by this, and Michael Parker in East Sussex regards it as an ideal state of affairs. "We don't want a situation in which one is going down as the other comes up," he says. "We want a healthy balance."

This problem of balance is emphasised by the huge retirement population in Sussex. In Bexhill, under 1971 census figures, no less than 44 per cent. of the population were in the retirement age group (65 for men, 60 for women). The national average is 16.2 per cent., and Bexhill is no isolated case on this coast. Worthing has 37 per cent., Hove and Eastbourne 33 per cent. each., Bognor Regis 30 per cent., and even Hastings had 29 per cent. in 1971.

All the authorities are keen to make it clear that there is no sense of "not wanting" the retirement population—Bexhill would have become a ghost town without them, I was told. But the excessive imbalance produces problems in some areas. There are not enough young people to look after them, for instance, and it is thought the wives of incoming industrial workers would be ideal for this job. Unfortunately the retirement population, as well as the commuters, have been partly responsible for inflating house prices in the areas of imbalance out of range of the industrial worker. So here is another problem.

The south coast, when the veneer of tranquil beauty and prosperity is scratched, reveals itself as a part of the world fraught with problems largely arising out of its own success. No area can be strategically, industrially, commercially, agriculturally and aesthetically so attractive without producing problems. However, there are those who will say it is this very conflict, this great variety of people and views, that makes the south coast so vibrant and so prosperous. It is a state of constant quandary those on the south coast seem to enjoy.

Hugh Colver

Prosperous ports

A PRIME source of the south coasts' prosperity and importance is its sea trade with Europe and the rest of the world, notably through Southampton. Apart from this trade basis, now given new impetus through Britain's EEC membership and the development of roll-on/roll-off and container systems, the tradition of a tremendous traffic in people, and in more recent years cars, across the Straits of Dover makes this piece of coast Britain's most effective door to its European neighbour countries.

The port of Southampton is one of the premier ports of the U.K. and, in terms of cargo value handled, is second only to London. Southampton Water, deep, broad and sheltered, is one of the finest natural harbours in the world. Apart from the well publicised aspects of its life—the traditional connection with the great liners and the huge oil tanker traffic — Southampton has established a good, solid international trade dealing with cargoes of all types.

Major capital investment programmes have been undertaken in recent years, with the Western Docks extension taking pride of place. This provided 1,494 metres of quay with a large area of back-up land primarily to serve the container traffic. Similarly, the Eastern Docks were provided with four roll-on/roll-off terminals to cater for the second new development in sea trading techniques.

Cargoes

Principal cargoes are oil, fruit, refrigerated cargo such as meat and dairy produce, grain, wool, vehicles, wine and bananas. There is a near balance of import-export trade coming in and going out of Southampton Docks, with 2.3m. tonnes of imports and 2.1m. tonnes of exports in 1974. Crude and refined petroleum brought another 17.3m. tonnes inward, and 6.5m. tonnes outward. Container facilities handled over 244,000 20-ft. equivalents, and ro-ro facilities handled nearly 500,000 vehicles. In addition, over 1m. passengers landed at Southampton, and a further 1m. embarked from the port.

Dover, the south coast's other premier port, bases its importance mainly on passenger traffic and ro-ro services. Indeed, if one includes car traffic this is the biggest ro-ro port in the world. It is also the biggest British entry and exit port or airport for people apart from Heathrow, and by value of goods the third largest port in the country.

At the height of the season a ship departs every 25 minutes, 24 hours a day, and there is a shipping movement of some sort every 15 minutes. British Rail, and its French equivalents, plus Townsend Thoresen, operate here as well as BR's Seaspeed hovercraft, serving France and Belgium. Last year 5.5m. passengers, 1.25m. cars and 250,000 ro-ro vehicles passed through Dover.

The port authorities and the operators were very relieved by the Channel Tunnel cancellation, though there are those who believe that with pressure from Britain's European partners the cancellation can be only temporary. Be that as it may, a report commissioned by the Government and Kent County Council showed that Dover might lose 2,000 jobs as a result of the tunnel, and even if, as seems likely, those jobs would have been won back eventually through increased traffic, a temporary loss on that scale would have caused difficulties.

One of the interesting aspects of post-Channel Tunnel Dover is the new faith being expressed in hovercraft as the key to expanding traffic in the future. In this connection what applies to Seaspeed at Dover should apply to Hoverlloyd at Pegwell Bay. These operations seem likely now to go from strength to strength.

Of the other two cross-channel terminals, Folkestone and Newhaven, the former enjoys the greatest traffic, again through Sealink services to France and Belgium. Nearly 1.5m. passengers, almost 100,000 cars, and over 30,000 ro-ro vehicles passed through Folkestone last year.

Shoreham

The other BR port, Newhaven, has a fair international cargo traffic as well as its link with Dieppe. Last year nearly 1m. tonnes of imports, over 120,000 tonnes of exports, and more than 550,000 passengers passed through the facilities. National Carriers Ltd. are developing European parcels services through the port.

A port that cannot be discounted along this coastline is Shoreham in West Sussex, which has the distinction of being Britain's leading wine importing centre, and fourth largest timber terminal. Specialising in bulk cargoes, much of the tonnage is actually coal for the local power station, but nevertheless the 2.4m. tonnes imported last year included roadstone and gravel as well as the coal, wine and timber. This go-ahead little port recently opened a new area of cargo handling space on the site of a demolished gasworks.

Turning to airports, this is not an area of Britain notably well served. Gatwick obviously exerts its influence greatly, and last November Dan-Air Services returned to the previously abandoned Lydd Airport in Kent to run its scheduled London-Paris coach-air service, as well as week-end flights to the Channel Islands in the summer. Air Freight Limited is also running scheduled cargo runs to Antwerp and Beauvais, and air taxi operators are there too. Lydd seems to have been given a new lease of life.

Efforts have been made in the past to encourage development at Manston. Limited air services operate from there, but it is an RAF station earmarked as an important diversion airfield for civil aircraft, and further development has not happened yet. There is something of a question mark over Eastleigh, serving Southampton, and Hampshire authorities are reported to be casting covetous eyes over Thorney Island, soon to be vacated by the RAF. Thorney Island happens to be in West Sussex, and the authority there is not keen on the idea, however.

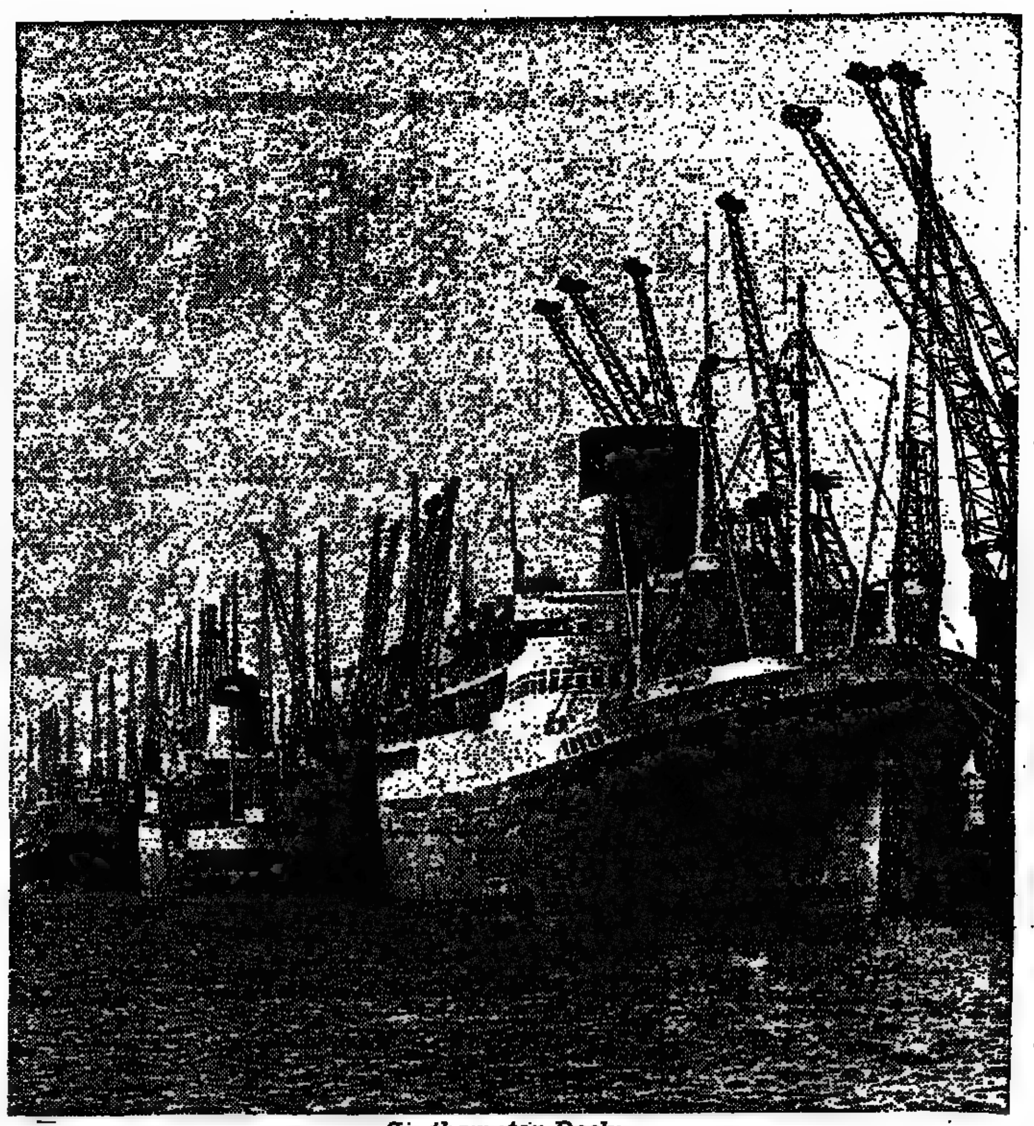
It is curious that along this coast in some parts it is rather better served by rail than by road. Indeed, considering the importance of the ports, particularly Dover, and the growth in ro-ro traffic, the south coast is badly served by roads, the infamous A2 being the classic example.

Progress is now being made, however, on the M.2 to Dover and the M.20 to Folkestone, the two most urgently needed roads in the area. Many question-marks still hang over the Southampton-Portsmouth area, however, with parts of the important M.3, M.27, and A3(M) still in the melting pot. One of the posers here is the likely effect of the M.27 on Chichester, and whether the dualling of the A.27 eastwards will prove to be enough.

Apart from this there are several problem areas on the other major roads. Some of the ports mentioned, like Newhaven and Shoreham, are notoriously badly served in terms of communications. Most of the authorities in the area would like to see British Rail take greater advantage of its existing lines, improve links like Hastings-London, and bring forward electrification plans. Together with improved roads, and the addition of a few extra links to key junctions, the communications position would be much improved.

To many it is nothing short of a scandal that the ports of this part of the world have bee able to expand their containe ro-ro and car-ferry traffic to great extent, while the hinte land population, through whic the traffic has to pass, has see little investment going into i roads. Further argument arise though, for there is a stron conservationist argument abou roads carving through th beautiful country. Once agai this is the south coast payin the price of success.

Hugh Colve



Southampton Docks.

Pockets of industry

ALONG THE south coast of England, industrial development has been largely confined to intensely developed pockets, while other areas have seen hardly any change in their employment structures for many years. Similarly, one can find serious unemployment problems with poor prospects in one place, while a few miles down the coast employers will grumble about the shortage of labour.

The thriving industry and commerce of the port of Southampton, and the blossoming service industry of Brighton, contrast sharply with the problems of parts of the Kent coast. Southampton's supremacy as a port—and it is now one of the most modern cargo ports in Europe—is the dominant feature of the industrial south coast. From early days its key location and its unusual double tide features earmarked it as a major port for Britain, and everything that has happened since has confirmed its dominance, not least its new importance as Britain's principal trade outlet to Europe.

What is sometimes forgotten, though, is that Southampton is much more than a port. Apart from the obvious shipbuilding interests that remain in companies like Vosper Thornycroft, there is much general manufacturing industry, too, with almost 50 per cent. of the city's workforce employed in this sector. The South Hampshire complex, which includes the other important centres of Portsmouth and Gosport, contains such important industrial employers as Ranks Hovis Mcdougall, Plessey, John Brown, Hawker Siddeley, STC, Hall Thermotank and divisions of the Thorn Group, just to mention some of the major ones.

Perhaps because of the outward looking nature that characterises the port areas, Hampshire has also attracted foreign companies. Esso's oil refining and chemical facility at Fawley springs immediately to mind in this connection, but IBM manufacture at Havant, and other foreign-based companies include AC-Delco, Pirelli and Mullards.

Of the other major centres of employment along this coast, Brighton is not so much an industrial centre as a service industry base. American Express has just taken 300,000 square feet in the town, but in terms of manufacturing industry both the trends and the plans indicate a concentration in the Gatwick-Crawley area, with the pressure being taken off Brighton, which has a shortage of the right kind of labour and rather stretched resources anyway.

Isolated

The real problem area of the south coast remains Thanet, that rather isolated corner that is just too far from London and the ports to benefit from the prosperity normally associated with this part of the world.

Indeed, a few years ago Kent County Council became so concerned about the unemployment figures in its county—15,000 were out of work in 1971—that it took a step unprecedented in the south east. It appointed an Employment Opportunities Officer, a step more usually associated with Britain's traditional, and more northern, areas of depression. Michael Davies, who is still in this Kent saddle pursuing the original aim of attracting new industry to answer the unemployment problems of the county, is the only holder of such a county council post east of Devon or south of Nottingham.

Kent went so far as to ask the Department of Industry for some kind of special status for its depressed corners, but this was not forthcoming, and although the council offers no financial incentives, Michael Davies reckons he has played a part in the creation of 1,700 jobs, and handled 17,000 inquiries along the way.

Apart from a modest budget, one of his impediments is the IDC/ODP policy, and another—rather more surprising—is the existence of competition from the Continent. France and Belgium are only just over 20 miles from parts of Kent's problem areas, and the Continental areas closest of all enjoy a status equivalent to a British Development Area. Michael Davies has certainly felt this competition.

Nowadays Margate has one fairly large industrial estate and a number of smaller ones, with the emphasis on light engineering, while Ramsgate is more industrially and commercially thriving, with Volkswagen car imports and some spin-off activities boosting employment. There is room for some industrial expansion at Richborough, a little further along the coast near Sandwich, and some effort has been made to attract quayside industry that would use the river.

Inland from Deal is one of the great industrial surprises of this corner of England. About 7,000 people are employed in three collieries still busy extracting the type of anthracite coal in such demand for steel-making, and despite fear of closure expressed many times in the past, these jobs seem secure.

Dover now has a space problem for industrial expansion, and like Folkestone further on is concentrating its efforts on a blossoming (and post Channel Tunnel cancellation) port trade, particularly in roll-on/roll-off traffic.

The Hythe/Romney Marsh area supports small industrial estates but the main centre of development interest in this area is the Dungeness nuclear power station complex. The "A" station is operational, while "B" is still under construction, having taken longer than expected. A "C" station is a distinct possibility now, though the construction employment, which tends to stay on in fair proportion after commissioning, tends not to be of very much local benefit.

Along this piece of south coast, Hastings is the main centre for industrial expansion, with its expanding town designation and Town Development Scheme to attract firms and people. Work is under way on an industrial estate, and office development is being looked for too. Eastbourne is also laying out areas for industrial development and has further land available to enhance its clear attempts to diversify from tourism and retirement. Birds Eye Foods has moved into the town recently.

While most of the effort in this area is concentrated on Hastings at present, the East Sussex county's structure plan points to Bexhill as a follow-on area for expansion, while further down the coast, Newhaven, apart from being established as an important channel terminal, has become a minor industrial centre. However, because of the Downs, there is only limited land left that could be developed without spoiling the environment. As the port traffic knows only too well, there are communications problems here too.

Estates

Apart from the industrial hinterland areas of Crawley and Gatwick, West Sussex has few concentrations of industrial development, and certainly not on its coastline.

Most towns, such as Worthing, Bognor Regis and Chichester, have industrial estates, and they mostly cater for the small industries that have moved out of the old town centres on to new industrial sites on the fringes. In Bognor Lec Refrigeration is an important employer, while Chichester is primarily a service industry town, catering for the agricultural areas as a traditional market town. Industry tends to be of the labour-intensive, high-technology type. The old Lancing carriage works, which was purchased by the county council in the early 1960s, has established itself as an area of industrial importance in West Sussex terms, but of all the counties along this coast this is the least industrially developed on its shoreline. Horticulture—including the largest mushroom growing installation in Europe—takes advantage of the quality of the light, and fishing and boat building continue.

Bournemouth, now lost by Hampshire to Dorset, is primarily thought of as a holiday resort, but Max Factor has had a cosmetics factory there for some years, and there are several small industrial estates. Poole has tended to become the centre for industry in this part of the coast.

From Thanet to Southampton there is great contrast in industrial development. There are now clear signs that, while the traditional employmer areas of Southampton, Brighto and Dover continue to take fu advantage of their positions an facilities, the other towns, wit more of an exclusively touris image, are making a bid fc diversification and a balance i population through the attra tion of industry, even if only o a modest scale.

Hugh Colve

Healthy property scene

WITH ITS good road and rail communications with London, the South Coast has long been one of the more expensive and popular of the country's housing areas. Within the region, however, there is wide variation both as to price and type of housing development. As a rough rule of thumb, similar property increases in prices as one moves round the coast from Margate to Brighton.

Here, within the "Brighton corridor" between Brighton and Gatwick airport to the north, property is expensive and land difficult to obtain. To some extent, the pressures on property in the Brighton area are a direct result of the town's speedy rail service to London. To work in London; only an hour's ride from one's seaside home, has its advantages.

The pressure is also created by Brighton itself as the first major commercial centre reached passing along the coast from east to west. Margate becomes very quiet out of season. Eastbourne is sedate. Brighton is a busy, year-round centre.

West of Brighton, the residential property pattern changes as prices fall with increasing distance from London. Southampton, however, is a different proposition. The Southampton/Portsmouth area is large enough to allow for a range of property from modest artisan housing to private estates inhabited largely by upper management.

Southampton and Portsmouth have a large stock of old houses scheduled either for demolition or redevelopment, and the local authorities, together with the private sector, are working hard at reducing the undeniably substandard housing in particular parts of both cities.

There has been considerable development, usually on a small scale, in the villages and settlements surrounding the major South Coast towns of modern family housing for the middle income bracket, at prices some 10 per cent. or more less than they would fetch in an outer London suburb. In the influence London exerts on the South Coast housing market, price is a function of distance.

The further away from London, the more the commuter pays in fares, the less then is the pressure on private housing stocks, and, therefore, the lower is the price. It is not, of course, an advantage for the commuter. What he makes up for in lower house prices, he loses in the higher fares.

Because of the nature of the resort towns, there is a market for substantial older property of a size far larger than that being built to-day. Even at Margate, where property values are among the lowest in the region, the demand for such houses for use as residential homes for the elderly or as convalescent homes continues.

Large houses, built originally to cater for the holiday trade, contrast along the coast both with the pre-war semi-detached buildings and a wide variety of modern housing now under development. In towns where only the hotels were taller than two or three storeys, the pattern, however, is changing.

Brighton, Eastbourne, and other resorts have experienced a rapid increase in the number of apartment developments rather than individual houses over the past few years. Some of these have been high-rise, contributing their own particular impact to the shoreline. Others have been more traditional, often cloaking their function as apartments behind "Georgian" facades which blend with varying degrees of success into the surrounding neighbourhood.

On the commercial front, again activity has been greatest in the areas around Brighton, while Portsmouth, particularly, has gone far to renewing its commercial centre. Restricted by the lack of development status to encourage industrial development, much of the energy of local authorities and private organisations has been directed towards the service industries and the attraction of the offices of large enterprises.

To date, this policy has met with varied success. Distance from London is less of a problem than finding a workforce of sufficient size and skill to man the enterprise. Nevertheless, efforts continue to attract commerce to available offices.

Set against the operation, say, of the National Health Dental Estimates Board in Eastbourne, there has been considerable activity in smaller, commercial, speculative development. Pressures on small firms in the London area to transfer their businesses to the South Coast are increasing. Soaring London rents make the smaller office development attractive in the South Coast region.

Shops also form an essential part of the South Coast development picture. Local authority urban renewal in the larger centres has produced new shopping developments which move quickly in an area of considerable prosperity.

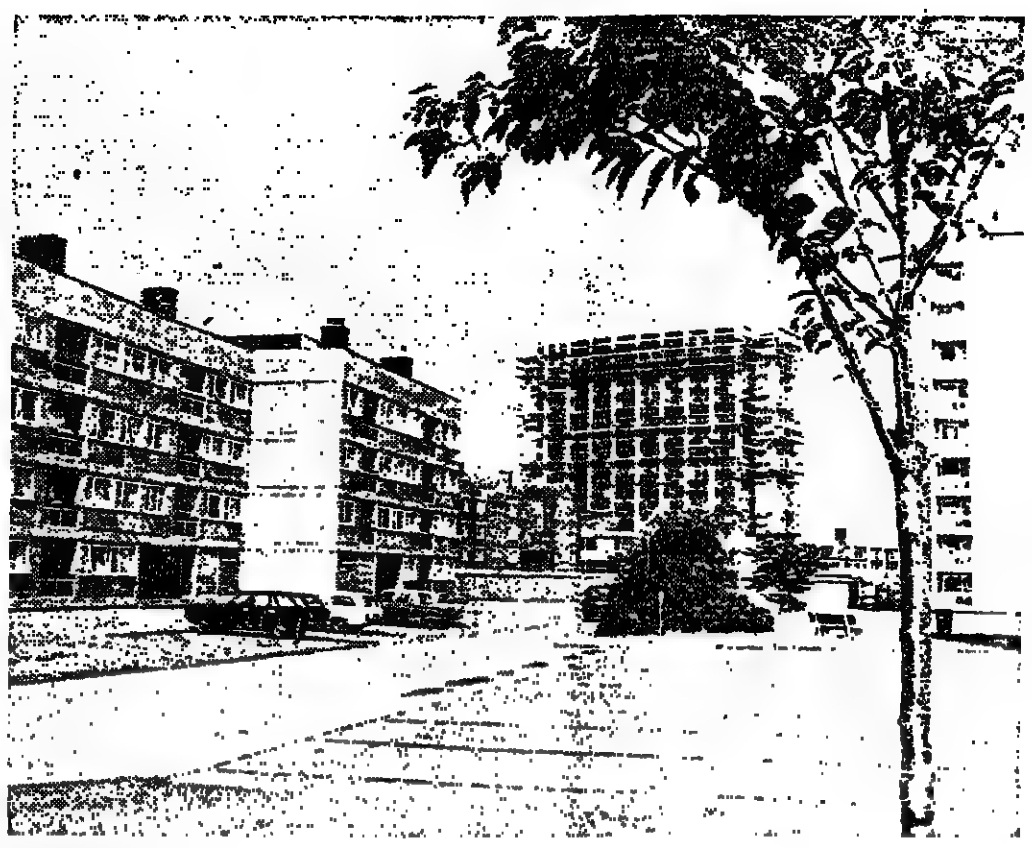
On a smaller scale, many South Coast towns lend themselves to compact shopping developments by private developers, which are suitable for small retail businesses, either catering for the holidaymaker or the resident. Again, there are few difficulties in selling or letting such property the closer to the Brighton area one comes.

The picture seems a healthy one compared to other regions in the country. Older property moves more slowly, but the activity in the Brighton corridor, where there is extensive modern residential development in progress, indicates confidence that new housing will continue to sell—and to sell well.

Similarly, office development, often backed by local authority campaigns to attract work to towns where employment follows a seasonal pattern, has been successful.

Shopping developments in the more prosperous towns depend for a large part of their success on their siting. Here the South Coast is particularly fortunate in having towns with well-established and attractively placed shopping centres. Developments close to these seldom fall.

Roger Beard



Housing in Southampton with a 15-storey office block under construction in the background, a development of the English Property Corporation.

Amenities conflict

THE SOUTH coast between Margate, Kent, and Bournemouth, Dorset, claims the most equitable climate in England. It also has the distinction of having the highest percentage of senior citizens over age 65. The one attracts the other, and creates in turn a social problem peculiar to the South Coast resort and retirement towns.

For behind the elegant seafront nursing homes sprinkled among the hotels and other holiday and resort attractions lies the fact that such a large number of elderly people imposes a strain on the social services. It is a strain more evident in some towns than in others. Yet, that people choose to retire here is an indication of the great wealth of natural and man-made amenities within the region.

Traditionally the "playground" for the cities of the South East, the South Coast resorts are continually adding to these amenities, while preserving the natural features which make them so attractive. As tastes have changed, local authorities and private interests have combined to respond to that change and to the challenge of competing resorts, particularly abroad.

Nowhere is this more clearly seen than in the growth and expansion of boating and sailing. After all, the region has the sea as its greatest natural resource. Now it is beginning to make better use of it. Two examples, the developing marina at Brighton and the careful conservation of Chichester Harbour, illustrate this trend towards the fullest exploitation of the leisure potential in the region.

Brighton Marina is still the object of controversy. Those who seek to preserve the elegant Regency character of the town see it as an intrusion. Others, aware of the need to provide increased boating facilities, as an important addition to the leisure amenities of Brighton and the region. An impressive piece of civil engineering, there is no doubt that its moorings, [illegible]s, and entertainment complex will contribute to the town's [illegible] for industry, tourism and leisure.

Chichester Harbour is at the other end of the scale. Just as the developers have won the day at Brighton, the conservationists are winning their battle to protect Chichester Harbour, not just as a magnificent sailing centre but as a nature reserve of national importance.

The conflict between conservationists on the one hand and those in favour of renewal and development on the other [illegible]nds throughout the region. [Mar]gate, Folkestone, Hastings, [East]bourne, Brighton, Bognor, [Sout]hsea, Bournemouth and [illegible] each have long traditions [as h]oliday towns. They offer a [rang]e of entertainment extending from funfairs to the quiet [illegible] of deck chair relaxation [and] floral garden.

[Wh]atever one adds to such [illegible]s must inevitably change their character and displease some. Nevertheless, the railway poster holiday image of many South Coast towns conceals another important function they serve for many of the people in their hinterland. They are not just places to relax for a day or a week beside the sea. They are shopping, sporting, and artistic centres for a considerable population.

Mostly within easy rail reach of London, they attract commuters by the thousand, and these, together with the retired population and the visitors, demand the fullest amenity range.

This they get. To share in artistic performances at the highest level one does not have to go to London. Bournemouth, Eastbourne, and Brighton all offer serious, artistic entertainment of the same standard claimed by the theatres and concert halls of the capital. Over the past decade, support by local communities for the arts has increased as the demand has risen.

Designed partly to suit the needs of the holidaymaker or conference delegate (conferences constitute a multi-million pound business in the larger towns), modern theatres and halls are also in use year-round.

Sports, too, have shared in the development of leisure facilities. The bowling greens so typical of the South Coast town are still there, and put to full use. However, other activities are beginning to make their mark. From ten-pin bowling to international tennis, from horse racing to hang-gliding, the South Coast resident can watch or participate in a bewildering number of sporting activities.

From the leisure and social viewpoint, it could be argued that there is not just one South Coast, but three. The resort towns, continuously updating their amenities to suit modern tastes are one. The natural resources of the downs, the harbours, rivers, and marshes are another. The third centres on Southampton, the "capital" of the Coast.

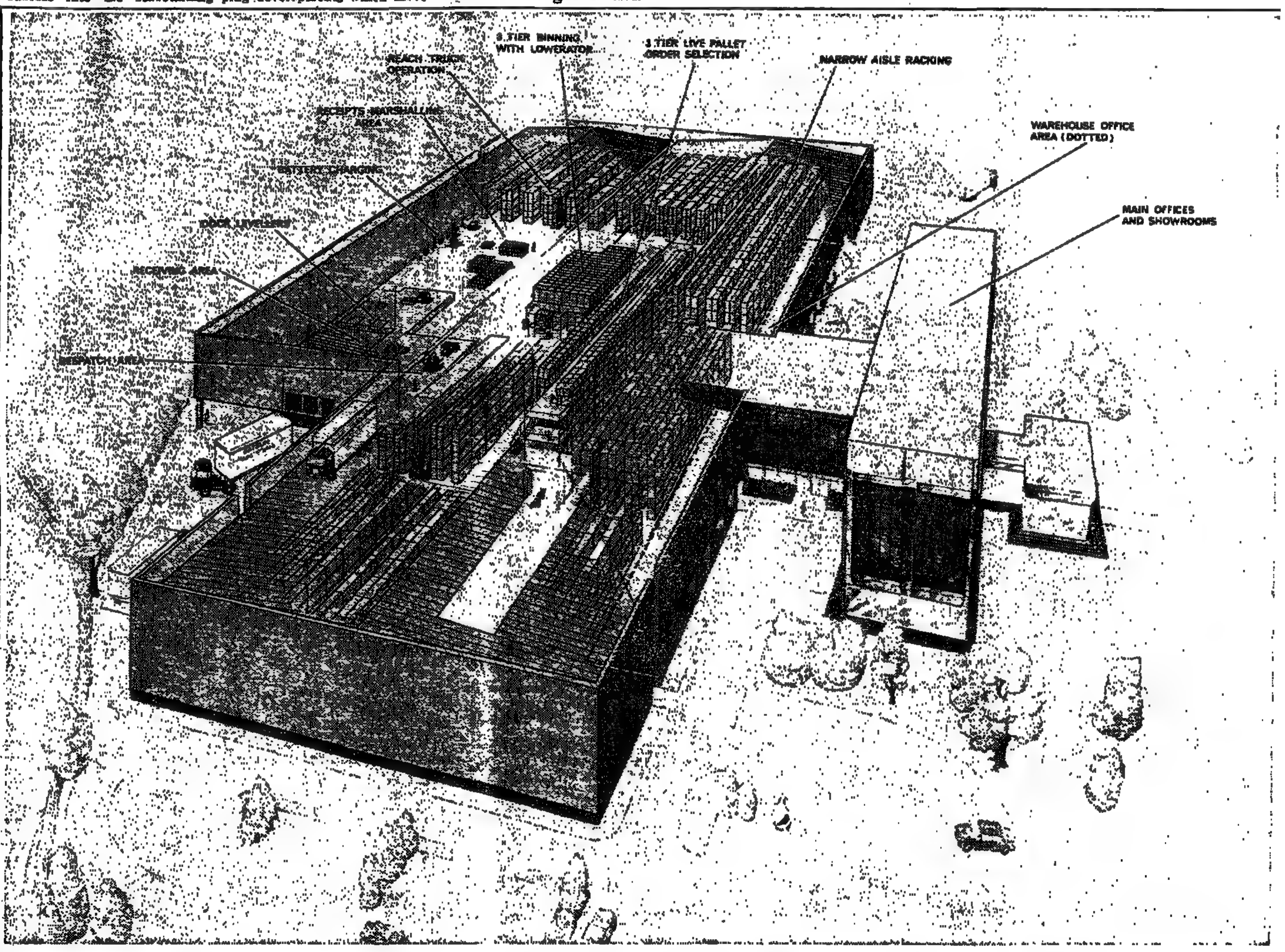
Though Southampton is a tourist centres, it is also—together with nearby Portsmouth—a thriving industrial complex. Its amenities reflect this. For shopping there can be no finer centre between the coast and London, with a series of fine, modern shopping developments. Its university exerts considerable cultural influence on the city. Its cinemas, soccer stadium, and parks reflect the taste of those who live and work there.

People seldom retire to Southampton. Not too many holiday there. It remains, however, the pivot round which South Coast amenity development turns, and on which future development will likely be based.

Regarding the natural resources, the cry is for conservation rather than development of a variety of areas, ranging from the lonely marshes of Romney, through the great chalk cliffs of the Seven Sisters, to the New Forest. Conservation of such natural "lungs" is essential not just to the region's amenities, but to its prosperity.

Here, there is a conflict between conserving the areas and catering for the increasing number of people, both residents and visitors, who would make use of them. Some compromise is inevitable.

Roger Beard



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Indicates when stretch is wrong

IN RECENT years the textile industry has seen the growth in application of textured filament yarns rise spectacularly. These are now increasingly competing with yarns that are spun on the cotton or worsted systems. Possibly the most famous development in the textured yarn trade was the establishment of "Crimplene" textured filament polyester in the double jersey trade.

While this has been happening in fabrics, there has been something of a stampede in the machine building trade to develop new machines and new techniques to increase rates of production and reduce costs. One major development has been the switch from what is known as pin twisting to friction twisting. Instead of taking yarn round a pin to insert twist into it during texturising there is a definite trend now to impart twist by rolling the yarn against some friction surface: which means that rates of production may be increased several fold.

The problem that these new high processing speeds has brought is a variation in twist caused by the yarn "skidding" against the friction surface. This is very often attributable to variations in tension in the yarn being processed.

Now a British company has developed a system that is able to monitor, constantly, the tension of each end of yarn on a texturising machine and it can signal an operative when a tension exceeds, or falls below, a specified limit. Known as the Tenscan, the new system is expected to enable productivity of texturising machines to be greatly improved.

Tenscan has been evolved by FMK Manufacturing (Electronics Division. London and Manchester House, Park Green, Macclesfield SK11 7QJ. 0625 29433).

Essentially the system is a simple mechanical tension measuring unit that is fitted to each texturising position of a machine. This is linked to an electronic monitoring unit at the end of the machine. It is claimed to be possible to measure tensions in yarns being processed from say 10 kg. to 100 kg. and to within an accuracy of plus or minus 2 per cent. Efforts are being made to produce greater sensitivity and to cover a wider range of tensions.

Tension measurement is possible to within incredibly fine limits, but where the FMK system has an advantage is that is has been designed to enable the requisite measurements to be made mechanically. The equipment required is thus far less expensive than the very much more sophisticated units developed for measuring tensions in yarns to within scientifically precise limits.

Tenscan will provide a readout of tension monitoring of the ends on a frame, but it can also be used as a practical production control aid that will signal when a position is off limit and reveal which end is at fault.

● REFRIGERATION

Flexibility built into cold store

REFRIGERATION for a new 1.2m. cubic foot cold store for Tempco Severnside, Tiverton, Devon, was designed and installed by Gram Refrigeration (GB), 95, Cray Avenue, Orpington, Kent (0689 36311). The system had to provide a wide range of operating temperatures in three separate chambers.

It has been designed to operate basically at minus 20 degrees F. but flexibility allows any of the three chambers to be held at almost any temperature from minus 20 to plus 45 degrees F. In practice, to meet the needs of a wide range of food products, temperatures will usually be selected from specific requirements of minus 20, minus 10, 0 to 5, 14, and 45 degrees F.

Refrigeration is by an ammonia pump re-circulation system, and flexibility has been achieved by using three low-stage booster compressors in conjunction with two high-stage machines. The booster compressors each provide 30 tons of the total 90-ton refrigeration capacity required to operate all three chambers at minus 20 degrees F.

The store has been divided into two main chambers of equal size, and one of these has been divided in half. Twin refrigeration circuits each incorporate four evaporators to control the temperature in the two main chambers, and additional facilities allow the two evaporators in each quarter section to be operated independently for different requirements.

For certain temperature conditions, the site engineer can obtain the necessary control by operating one or both high-stage compressors in a partially unloaded condition.

Container Workshops of Manchester—Morrell, Mills Group—has opened this new £150,000 shotblast and painting container refurbishing depot at Trafford Park. Covering over 10,000 square feet, it can handle 20-ft and 40-ft steel I.S.O. containers, and has a potential total throughput of 15,000 containers a year. There is storage space for up to 300 containers. The facilities are also used for the complete refurbishing of road trailers. The shotblast plant, measuring 70 by 50 feet, can handle four 20-foot containers, for exterior and interior cleaning. The purpose-built paint shop, measuring 120 by 54 feet, is spacious enough for 16 20-foot containers in eight double bays to be handled at the same time.

● RADIO & TV

Synthesises music and speech

A NEW British development will make a major contribution to music and audio research studios throughout the world. It is the Computer Synthi, just announced by Electronic Music Studios of Putney, claimed to be the first computer music system ever to be offered as an off-the-shelf package.

It consists of a PDP-8/A minicomputer, two cassette tape drives, analogue-to-digital and digital-to-analogue converters, an array of push-button and slider controls and a 16-position light emitting diode display.

The unit provides the user with the facility to program sound and music synthesisers with thousands of events over hours of output and to edit the output selectively and easily. The tape drives make it a simple procedure for different users to employ the equipment for different projects through an immediate exchange of cassettes.

EMS originally developed the unit for its own use in controlling its Synthi 100 equipment and, in line with its policy in recent years, has now made its own apparatus commercially available. The first two production versions of the Computer Synthi are to be delivered later this year to the Michel Fano Studios in Paris for the composition of film music, and to the Ludwig Rehberg Studio in Stuttgart, where it will be hired by university and research establishments.

EMS claims that the Computer Synthi can make existing synthesiser installations up to 10 times more productive—at a cost of only £9,100.

The main applications for the new unit will be the composition of electronic music, the creation of sound effects for radio and TV programmes, experimentation with audio signals and research into sound and psycho-acoustics. EMS has sold £300,000 worth of its Synthi 100 synthesisers, about 75 per cent. to overseas markets, including installations for Radio Belgrade and universities in Melbourne, Australia and Carleton, Canada.

Computer Synthi will be a valuable tool for research establishments studying human speech, for, with 20 independent streams of control voltages, it is possible to use synthesiser oscillators and filters to build a voice model. Previously, with ordinary sequencer or manual control, it has been extremely difficult to drive sound apparatus rapidly enough and to make variations in sound frequently enough to represent speech. Synthi puts at the scientists' disposal the means of making hundreds of sound emission changes per second, and of editing any section or sequence at will to improve the final output.

Further details are available from EMS (London) Limited, 277 Putney Bridge Road, London SW15 2PT. 01-788 3491.

● COMMUNICATIONS

Membrain's century

MEMBRAIN of Ferndown, Dorset has delivered its 100th test system. The delivery—an MB2460 hybrid digital and analogue unit—was made to Plessey Telecommunications in Liverpool. The order, of which this system was a part, was worth over £100,000 and was the first to be placed by Plessey for automatic test equipment for the new TXE4 electronic exchanges.

These 100 systems have been installed in less than four years from Membrain's first shipments in June 1971. Those years have seen turnover increase to well over £1m., affiliate companies formed in the U.S. and Germany, staff grow to over 120 and space from the original 8,500 to 35,000 square feet.

Membrain is now among the top four suppliers of commercial card testers in the world, and is the most significant European manufacturer dedicated to the test equipment field.

Membrain is at Ferndown Industrial Estate, Wimborne, Dorset BH21 7PG (02017 6116).

● ELECTRONICS

Controlling counter

ELECTRONIC CYCLE counter/timer KCD5H made by Koyo in Japan is available from Tempatron of 5, Loverock Road, Reading (Reading 583033).

Pre-set by means of a five-digit thumbwheel indicator, the device counts impulses at rates up to 5,000 per second. When the number of pulses counted equals the pre-set number the unit can operate a relay or solid state device.

Counted signals can be from solid state circuits, proximity switches, rotary transducers, photoelectric switches and similar devices and the unit can be reset from an external source. Self-holding or fixed time (50ms. output duration) are available.

Measuring only 120 x 80 x 120 mm. and weighing 0.8 kg., the unit can be panel or surface mounted. It has LED input and output indicator lamps, a noise filter, and can operate between −10 and +50 degrees C.

● PLASTICS

Light and easy to handle

PLANS FOR the marketing of a new range of light weight high-density polyethylene bottles manufactured by Plysu Containers are coming to fruition following the production of the first 200,000 at the company's Woburn Sands, Bucks., factory.

This first batch of 2-litre containers has been produced for G. Barraclough (Soft Drinks) of Bradford, Yorks., where high speed automatic filling, capping and labelling machines have been modified to handle them.

When it has got beyond the pilot plant stage Plysu will also start making 5 litre and 1 gallon versions. It now has 14 American built Uniloy blow moulding machines which, it reckons are capable of producing about 60m. units a year.

Similar equipment is being operated by Plysu Europe BV at Halfweg in Holland. This is a joint venture with the Phoenix Group for the manufacture of the company's Compact range of thin-walled containers.

The new containers now being produced at Woburn Sands are being marketed as the F.80 lightweight range and are suitable for liquid foodstuffs and chemicals. They have contoured bases to give rigidity and a large handle which provides an air return to aid pouring.

The bottles are translucent, so that the colour of the contents may be seen and they have plastics closures.

Savings in weight of the individual bottles and in the amount of materials needed to make them are main planks in the company's marketing strategy. It says, for instance, that a 5-litre bottle weighs 85 grams, which represents a 30 per cent. saving on materials used for its 5-litre Compact container and 16 per cent. less than its closest competitor.

● DATA PROCESSING

Redac taken by Raytheon

THE LATEST international order to be announced by Redac Software, Tewkesbury based computer-aided design specialists of the Racal Electronics Group, is one valued at £60,000 from Raytheon, of Weyland, Mass., U.S.

Raytheon is one of the world's largest electronic companies and this decision is an accolade for U.K. software. The U.S. group will utilise the drawing module, engineer's report and layout module of the Redac System. Raytheon has its own design automation division, but it will be making a 60 per cent. saving on present costs by introducing the Redac facilities.

Redac Software, Newtown, Tewkesbury, Gloucestershire GL20 8HE.

Analysis of platforms

UCC's NEW dynamic analysis programme EC.658, is an addition to the suite of structural engineering programs designed by Electronic Calculus Inc. (ECI) and offered by UCC on its London dual-1108.

It was designed largely as a result of the work done by UCC and ECI on the structural design and analysis of North Sea oil platforms.

Hitherto, civil engineers have had to look outside well-known structural and design analysis suites for a program to undertake purely dynamic analysis, and this has invariably meant using large packages carrying unnecessarily heavy overheads. EC.658 provides a simple answer to the problem for appreciably less cost.

Although initially designed to meet the special needs of North Sea oil structures, its application is much wider. In addition to the analysis of wave forces on sea bed structures, it may be used for wind or earthquake forces on land-based structures, vibration analysis of machine foundations, ship's structures, airframes—and so on.

UCC, 344 Euston Road, London NW1 3BT (01-387 9661).

Plain paper microfilm printer

THE QUANTIMATIC is a microfilm aperture card printer which can produce 10 black and white prints a minute on plain bond paper.

It has an automatic feed for up to 200 camera or 35mm aperture cards, and can make 1 to 4 copies of each. Prints can be made on A2, 3 or 4 size paper, and the magnification is 14.5.

Launched by 3M United Kingdom, Wigmore Street, W1A 1ET (01-486 5522), it is based on a new dry plain paper print technology.

Print quality is good enough to give excellent reproduction of solid areas as well as tone, from originals of varying quality. The machine measures 34 by 48 by 40 inches high and weighs 1,450 lbs.

● POLLUTION

Fumes from garbage cut

BASED ON the fluidised bed principle, an incinerator has been developed by The Energy Equipment Company, Hockliffe Street, Leighton Buzzard, Beds. LU7 8HE (052-53 78378). Emission to atmosphere of pollutants has been almost eliminated.

Designed to burn some 600 lb of high calorific waste an hour at operating temperatures up to 900 degrees C, the bed is composed of graded sand or similar granular inert material. Air is passed through this at sufficient velocity to cause it to behave as a liquid. The incoming air is pre-heated, making the bed hot enough to ignite incoming waste. This pre-heater is automatically switched on and off to maintain optimum operating temperature.

The bed has a surface area of 16 square feet, and when aerated, a depth of 18 inches. Maximum air flow is 2,000 cu. ft./minute, supplied by a Rootes blower. The bed is supported on a louvre which can be turned through 90 degrees to drop the bed into a lower chamber for sieving and cleaning. Large solids are removed by water-cooled rake, without shut down.

Waste materials are fed into the incinerator through an air lock. Products of combustion pass first to a hot cyclone for removal of any solids, then to a water wash to clean and cool the gas prior to discharge. A heat exchanger can be fitted after the hot cyclone to heat the incoming feed air, and the refractory lining of the combustion chamber can be replaced by a water jacket so that the heat generated can be used for a hot water system or medium pressure steam generation.

Because of the high temperature all debris collected from the discharge chamber is sterile, an important factor when hospital refuse is incinerated.

An automatic storage and feeding unit is available which can keep the unit charged at the optimum rate, when it will operate automatically for about an hour. On trial, an animal carcase weighing 50 lbs was completely destroyed within ten minutes.

● LIGHTING

Arc lamp by Thorn

THORN LIGHTING has developed a 1 kW Compact Source Iodide (CSI) lamp capable of withstanding a 25 kV pulse for hot restrike. It is also claimed to be the smallest arc lamp in the world.

This development, announced in London to-day, will be good news for television and film technicians as the CSI sealed beam lamp effects economies in running costs and electricity and the hot restrike version will greatly extend its possible applications, Thorn claims.

In 1970, the company introduced the CSI lamp mounted in a sealed beam outer bulb to successfully replace the bulky and unwieldy "brute arc" widely used for outdoor TV and film work. But the CSI, like the brute arc, could not restrike immediately after switch-off, unlike the latest version.

The Executive's World

EDITED BY JAMES ENSOR

Nationalisation in the Middle East, nationalism in Europe, bribery in Latin America and an SEC investigation are among the troubles of Gulf Oil. **Guy de Jonquieres** reports from Pittsburgh

Gulf ponders over the future of oil

H PUBLIC image of the ...rican oil industry has taken ...on hard knocks in recent ...nths, and no single company ...as probably been buffeted ...as hard as Gulf Oil. In ...dition to facing the barbed ...cism and hostile legislative ...prisals which congress has ...ed at the industry as a ...w. Gulf has been struggling ...de down a series of embar...ng revelations about its ...ations in the U.S. and over... which have been surfacing ...uncomfortable regularity. ...lf has admitted making ...l corporate contributions to ...Nixon re-election campaign ...972 and has been charged ...e Securities and Exchange ...mission with failing to ...nt adequately for the use ...10.3m. in corporate funds ...een 1960 and 1973. A ...al in-house study group has ...set up to investigate this ...other questions. But even ...e the completion of its ...rt, the company has been ...ed again by an ugly dispute ...Bolivia which flared up ...allegations that it bribed ...ian officials.

Disclosures

...his series of explosive dis...ures has clearly pained ...ials at Gulf's Pittsburgh ...dquarters, and the company ...been notably reluctant to ...uss them in public. Yet ...f seems to thrive on the ...expected and the controver... Last month it caused sur...se and some puzzlement both ...ide and outside the oil industry by announcing plans for a sweeping reorganisation of its corporate structure. The announcement followed on the heels of the disclosure that it was holding talks with Rockwell International, the large aerospace contractor and diversified manufacturing concern, on a possible merger or some unspecified form of joint venture.

The reorganisation, due to be completed by autumn, will give Gulf a management, operating and financial structure unlike that of any other oil company. It plans to abolish the division of its operations along geographical lines and regroup them into six "global" companies. The only operation to retain a geographical entity will be Gulf Oil Canada, a 68 per cent.-owned subsidiary.

Worldwide exploration, production and sale of crude oil, natural gas, coal, and other energy resources will be handled by an Extractive Industries Company, while responsibility for petroleum processing and marketing will be vested in a Refining and Marketing Company. Both will be headquartered in Houston. Four other subsidiaries will be set up to handle chemicals, transportation and third party crude and products sales, energy research and commercial property development.

The most innovative aspect of the plan is the decision to make each company a "profit centre," responsible for its own financial results and with wide discretion over its operations. According to Gulf officials this will enable the company to determine for the first time the precise contribution to profits made by each stage of its petroleum operations—an exercise which, it is claimed, was inhibited by the use of a fully-integrated structure. Whether the results of each unit will be reported publicly has not yet been decided.

Central control will be exercised by a new chairman's council in Pittsburgh, which will map overall strategy while monitoring the performance of each company. According to Mr. Bob Dorsey, the Gulf chairman, the Council will "manage the managers of these investment centres and not the business of these managers."

Concern

Details of the reorganisation have been mapped out by Dr. Juergen Ladendorf, a former professor at Harvard business school who was appointed senior vice president at the start of this year. But the broad thinking behind it has been germinating for many months, spurred on by Gulf's concern at the longer-run effects of losing control over many of its assets abroad and of an increasingly unsympathetic political climate at home.

Gulf lifted more than three quarters of its total crude production of 1.7m. barrels per day from abroad last year, with more than 1m. barrels coming from Kuwait, where its interest in the Kuwaiti Petroleum Company has been 80 per cent. nationalised. In common with other international oil companies, its margins on overseas crude production have been sharply cut by higher taxes and falling crude prices this year, but Gulf's position is especially vulnerable because of its shortage of producing wells in the U.S.

Gulf thus envisages that its refining and marketing operations will have to provide an increasing share of profit in the foreseeable future. Severing these operations from production will enable the refining and marketing company to choose whether to buy crude from Gulf's own sources or from outside, thus enhancing its own competiveness and that of the production unit. Furthermore, it is argued that the Extractive Industries Unit will be able to bargain more effectively with producer governments by demonstrating that it no longer has a guaranteed taker for their crude.

The creating of a "global" production unit has raised some eye-brows among Gulf's competitors, since it seems to run counter to the current trend of decentralising operations along geographic lines. A senior executive of another international oil company commented recently in private: "It seems odd that while our boys are making every effort to build up their presence in the producer states, the Gulf people will be sitting out there in Houston, thousands of miles from where it's all happening."

Gulf executive's deny that any strategic withdrawal from the main OPEC countries is planned and point out that they will maintain representatives in key foreign production centres including Britain, where Gulf is developing sizeable North Sea fields. But they also admit that one of the objectives of the company's long-range strategy is to reduce Gulf's exposure overseas and to avoid any major new capital commitments abroad which might be vulnerable to seizure or other political vagaries.

Mr. Dorsey said recently that he foresaw Gulf playing an increasing role as a "project manager" overseas, supplying technological expertise and services but providing little or no equity investment of its own. As an example, he cited a recent agreement which Gulf has negotiated with an international banking syndicate to borrow \$27m. to finance offshore production and related facilities in Zaire, without involving its own credit. Such financing agreements are expected to be used increasingly both at home and abroad.

Veba

Last February it signed several letters of intent with Veba of West Germany providing, among other things, for the sale of all or part of Gulf's substantial European refining and marketing operations.

It is emphasised that the agreements with Veba are loosely-worded and non-committal, and that they could lead to a variety of different conclusions including establishment of joint ventures. Yet it is conceded that a major consideration behind the exploratory talks with Veba is the lowering of Gulf's profile abroad. "We are worried about political sensitivity abroad and partnership with Veba (which is 40 per cent. owned by the German government) would make us less vulnerable to political attacks in Europe," one Gulf executive admits.

Gulf's thinking about its domestic role is also evolving. In the short-term, it is making a major effort to step up production in the U.S., especially offshore in the Gulf of Mexico, where it is developing several promising oil and gas fields. The company has budgeted \$1.8bn. for capital investment this year, \$1bn. of it for exploration and development, though it complains that its acquisition of new offshore leases has been restricted by the poor quality of properties put up for auction by the Government recently.

In the longer run, though, Gulf's commitment to crude oil production seems likely to decline. Chairman Bob Dorsey is said to believe that oil may remain the primary source of U.S. energy for only another 10 to 15 years, and the company has been broadening its exploration of other energy supplies. It is also stepping up investment in its successful chemical operations, which accounted for 17 per cent. of profits but only about 5 per cent. of sales last year.

Through its Pittsburg and Midway Coal subsidiary, Gulf has rights to about 4.8bn. tons of coal reserves in the U.S. and also owns a tract in Colorado containing an estimated 4bn. barrels of shale oil. It is conducting research into geothermal energy and in Canada it has a 17 per cent. interest in the Syncrude Tar Sands project. In the nuclear field it has unmined reserves of about 100m. pounds of uranium — believed to be the largest holding in the U.S.—and through General Atomic, its joint venture with Shell, is the only U.S. oil company involved in a nuclear reactor programme.

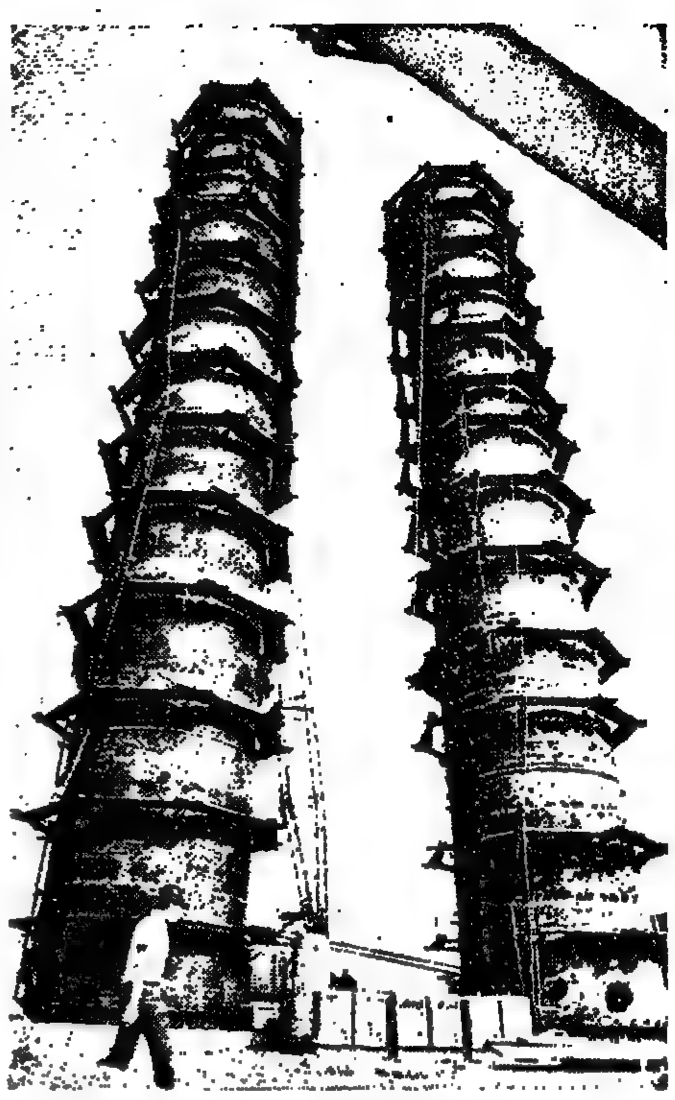
Apart from coal, of which Gulf produced about 8m. tons last year, most of these interests seem likely to take many years to bear fruit and will demand heavy expenditures in the meantime. General Atomic has proved an unhappy experiment so far, losing large amounts of money because of delays or cancellations in its reactor delivery schedule. But Gulf insists that the venture's ultimate prospects are promising and that neither it nor Shell plans to pull out.

As its discussions with Rockwell indicate, Gulf is looking still further afield for new investment opportunities. In 1973 it held extensive and ultimately abortive merger talks with CNA financial, the large Chicago-based insurance group, and last year its property and leisure subsidiary, Venture Out in America, came close to buying Barnum and Baileys-Ringling Brothers combined shows, the largest circus in the U.S. (The latter discussions proved rather embarrassing since they were announced while Gulf was answering pointed questions on Capitol Hill about the huge profits earned the previous winter.)

Gulf insiders doubt that the talks with Rockwell, which were initiated by the latter company, will lead anywhere. Though Rockwell has some technological expertise that could be useful in the energy field, its profits have been in a steady decline for some time and it is seeking a substantial cash injection. Gulf officials say that any acquisition would have to be paid for mostly in a form other than cash.

In so far as Gulf has an acquisitions policy, it tends towards the areas of energy and raw materials, its executives say. The company also favours making one single big acquisition which, it believes, would be less likely to provoke a government anti-trust challenge than a series of smaller mergers designed to consolidate its position in a given field. In justification, it cites the absence of anti-trust objections to Mobil's acquisition last year of a majority interest in Marcor, the large company which owns the Montgomery Ward retail chain.

The Marcor investment led to considerable controversy, provoking angry questions in Congress as to why Mobil was not investing all its profits in energy. Mobil has not replied explicity, but its intention seems clear: Marcor looked like a promising diversification at a moment when the threat of growing government regulation was clouding the future for the oil industry. Would Gulf consider such a radical departure from the oil business? "Well," admits one executive, "I suppose you could say that in a time of uncertainty we are hedging our bets."



Gulf is stepping up its successful chemical investment. This plant at Cedar Bayou, Texas, comes on stream next year

Need for labour relations centre

...e establishment of an In...strial Relations Training ...source Centre is the major ...commendation of a report just ...blished by the Management ...ucation Training Develop...ent Committee of NEDO.

The main aim of this pro...sed Centre would be to assist ...mpanies and other institutions ...o wanted to provide better ...dustrial relations training for ...eir managers. This aim, it ...s suggested, was composed of four main objectives: to provide advice and guidance for those engaged in developing systematic forms of industrial relations training for management: to develop links between industry and academic institutions in this field; to undertake or sponsor a limited range of training for the relevant people and to stimulate or provide appropriate teaching material and aids. This is all aimed at in-company training courses.

After the recommendation to found the Centre, the rest of the report's recommendations were aimed at management. They covered the formulation of industrial relations policies, the improvement of industrial relations training, and the necessary action by education and training establishments.

Management training in industrial relations, HMSO £3.30.

DOINA THOMAS

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Rights of unsecured loan stockholders

If a company decides to pass an Ordinary dividend may it also decide not to pay dividends due on its Unsecured Loan stock without the loan stockholders taking legal action to obtain payment of their dividend?

If a company is wound-up does the Unsecured Loan stockholder have priority on repayment of the loan ahead of Ordinary shareholders?

The rights of the stockholder will depend on the contractual terms of the issue of loan stock. Unless the stock is preferential as to dividend or carries fixed interest it would not be necessary to declare a dividend or pay interest at all. If, however, an Ordinary dividend is declared the loan stock should carry dividend if it is not issued on terms which permit dividend or interest to be deferred. Similarly the priority of rights of repayment on winding-up will be determined by the terms of the issue.

An option to renew

Would you please let me know what is the position in a shop tenancy created in 1973 at a fixed rental with an option to renew. The tenant took advantage of the Counter Inflation Act and paid a reduced rental in accordance with the amount due in 1972.

One of the conditions that the tenancy could be renewed is that the tenant has observed the covenants in the lease. Will the fact that he has not paid the agreed rental constitute a breach of covenant?

The fact that the tenant has paid only the rent permitted to be paid and received under the Counter Inflation Act 1973, and the orders made under it will not constitute a breach of the covenant to payment at the higher rate, as statute supervened and required the tenant to limit the amount of rent paid, just as it required the landlord not to accept any higher rent. Provided the other covenants in the lease have been observed and performed the option should be capable of being exercised.

Unprotected tenants

In your Business Problems of May 28 you wrote that the occupants of a bed-sitter house, who shared rooms, along with bathrooms, etc., were not protected by the Rent Acts. Could you explain why? How do you define sharing?

The question of sharing is a question of fact in each case, see Goodrich v. Paisner (1957) A.C.85. However, instances of partly shared accommodation would appear to fall within Section 102 of the Rent Act 1968 and thus to qualify for the protection therein provided which is tantamount to the protection which is afforded in respect of premises wholly within the Rent Act so far as security of tenure is concerned.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, JULY 2, 1975

Some action at last . . .

MR. HEALEY'S statement to the House of Commons yesterday stands in welcome contrast to the Prime Minister's previous refusal to be rushed into the adoption of new measures for tackling inflation. Pressure on sterling eased yesterday morning, but Monday's experience showed clearly that there was no more time to waste before making a firm declaration of intent to bring the rate of inflation quickly down to a more tolerable level and demonstrating a readiness to take whatever steps might be needed to bring this about. The statement that statutory control of wages will be introduced if firm and enforceable arrangements to control wages voluntarily are not quickly concluded with the trade unions is clearly intended to prevent a collapse of confidence in sterling. The more the left wing of the Labour Party complains about broken promises, indeed, the more effective the mere threat of a statutory policy is likely to be.

Nor is its effect likely to be felt only abroad. Mr. Jack Jones yesterday succeeded in winning support from his own union for voluntary restraint. This success, together with the Chancellor's warning, will give the TUC a better chance of agreeing on some form of voluntary and workable restraint in the few days that have still to pass before the Government sets out its proposals in more detail in a White Paper.

Statutory powers

The existence of statutory powers would help the Chancellor to maintain his position against his Cabinet colleagues and those TUC leaders who reluctantly favour voluntary restraint to argue a strong case against those who do not, and one school of thought in the Treasury is pressing strongly for them. But it is by no means certain at present that such powers would have to be invoked. From an economic rather than a political point of view, the most important reference in the Chancellor's statement was to the institution of cash ceilings to control expenditure in the public sector. This innovation has both a general and a particular aspect. The general aspect is a new means of ensuring that the cost of public sector projects, whether capital or current, is kept under strict ministerial control and does not escalate beyond reason with the help of statistical devices intended to take account of inflation. This will clearly have a major part to play in the reductions in the long-term growth of public spending which have yet to be announced.

The particular aspect was exemplified by Mr. Crosland on Monday when he announced that he intended in future to set a firm ceiling on the borrowing and subsidy rights of the Railways Board: if more than the Government thinks right is then paid out to railway employees in settlement of a wage claim, the Board will be compelled to cut the level of its services and its employment. Such a discipline imposed throughout the public sector would do more than any other single measure to bring our present inflation to a stop.

Price mechanism

Excessive wage increases in the private sector are a less serious danger at present because of the weak state of domestic demand, but Mr. Healey has said that the Price Code will be used to penalise firms who exceed the official guidelines. The only reference to general price control in his statement was about the need to ensure that prices came down in line with costs. There was no mention of rigid price control, of the sort favoured by the unions, and since the Chancellor is hoping to encourage an early recovery of capital investment it is to be hoped that this omission was intentional.

Cash ceilings on expenditure in the public sector and a flexible use of the Price Code in the private sector would make a statutory incomes policy largely unnecessary, provided the Government resolutely ignores TUC proposals that unemployment should be rapidly reduced by the stimulation of domestic demand. It is understandable that the warning should have been issued, if only to secure firmer adherence to voluntary wage restraint. The absence of any reference to long-term cuts in public expenditure or to a reduction in the public sector borrowing requirement is the obvious omission.

. . . and what remains to be done

THE LACK of any serious financial content is perhaps understandable in what shows every sign of being an emergency statement, pushed ahead of its planned schedule by the pressure of events: but it is an omission which will have to be remedied very shortly if the Government's total policy is to be effective or credible. Cash ceilings on the wage bills of the public sector simply embody the Government's intention that as an employer, it will stick to its own wage norms—with the added implication that if an above-norm increase is pushed through anywhere, its cost will have to be covered by reducing the labour force. This says a great deal about the Government's determination on the wage front, but not nearly enough about its financial intentions.

Temptation

The great temptation for any Government trying to enforce wage restraint is to try to reinforce the response of prices to this restraint through open or concealed subsidies and financial support. This can be done by measures ranging from food subsidies and capital grants to steps designed to keep interest rates low and the exchange rate artificially high. Such measures find financial expression in unforeseen increases in the borrowing requirement, and increasingly lax monetary conditions. The consequences of attempting to buy off inflation in this way were memorably demonstrated in 1973, and the Chancellor has so far shown an admirable determination to get suppressed inflation out of the system. Under the new stresses of wage restraint, however, these policies need to be restated, and subjected to their own cash discipline. This, and only this, would demonstrate the economic determination needed to back the Government's new-found resolution on wages, and ensure that restraint secures something more than the postponement of inflation.

It is not easy for anyone without access to the latest projections of expenditure and revenue to say exactly what such a commitment would imply in practice. Sir Geoffrey Howe and Sir Keith Joseph for the opposition have both called for real cuts in public expenditure. There is no doubt that the growth of public expenditure projected in the last White Paper was excessive, and will have to be reduced: that is apparently the objective of the review now in progress. At the moment, on the other hand, it is by no means clear that cuts in real activity are required, if the new policy is effective in controlling costs. It is the financial burden which must be limited: the clearer the limit, the easier it will be to finance what remains in a non-inflationary way.

The minimum

The minimal requirements are to ensure that the £9bn. borrowing requirement announced in April is in no circumstances exceeded. There should also be a tight ceiling on the proportion to be financed through public sector borrowing from the banks: Ministers are too inclined to claim slow monetary growth, purely the result of depressed private-sector demand, as a triumph for their own restraint, and to ignore the growing lending capacity of the banking system.

Given this financial context, the Government's new policies should reduce inflation: given effective wage restraint, the cost in jobs should be reduced. But without a financial context, the policies are empty: arithmetic without economies has been tried before, and failed.

Two-

A belt-and-braces approach to fighting inflation

BY SAMUEL BRITTAN

ONCE again it has needed a run on sterling to make a British Government take seriously the inflationary situation. There is no doubt that the trigger for action has been the 4 per cent. fall to nearly 29 per cent. in sterling's effective depreciation during June, which was heavily concentrated in the last few days of the month.

The skeletal nature of Mr. Denis Healey's statement yesterday and the lack of figures on the public spending side is a sign of the rush in which it was drafted.

The background to the run on sterling is shown in the two accompanying charts taken from the Treasury's Economic Progress Report published on Monday. Year on year, the U.K. inflation rate last April was 9.6 per cent. above the general average of industrial countries belonging to the OECD. In the most recent six months, the U.K. inflation rate had accelerated to an annual rise of 28 per cent., while the OECD countries had decelerated to one of 10½ per cent.

Taken by surprise

One can sum this up by saying that the U.K. inflation rate has been 10-20 per cent. above that of competitor countries. The behaviour of the British price index, which in part reflects once-for-all imposts imposed in the Budget, is pretty much what Whitehall expected. But the fall in sterling has taken the Government by surprise. The move from an effective depreciation of 21½ per cent. at the end of December to around 29 per cent. at the beginning of this week represents a drop of 9-10 per cent. in the external value of sterling in the first half of 1975.

This is roughly the depreciation that was expected for the whole of the year when the Chancellor prepared his April Budget. The reaction of Ministers and officials to an unexpected fall in sterling is pretty well instinctive and automatic. When a fall in sterling merely reflects internal inflation, the reaction is irrational. But on this occasion there was clearly an element of anticipation of inflation that had not yet occurred. Roughly speaking each 1 per cent. fall in the rate, over and above what is justified by the international cost position, adds nearly 0.4 per cent. to domestic prices.

Even if there were a rigid money supply policy, such cost-of-living increases would feed into wage settlements and worsen both unemployment and inflation for a "transitional" period. With the loose-limbed and agnostic approach which does apply to the money supply, the inflationary effect could be built into the system. Thus, there was every reason to act—not to hold the exchange rate artificially—but to prevent a self-justifying cycle of adverse anticipations on the foreign exchange market.

The authorities were, however, probably most worried about the possibility of the fall in sterling precipitating an "avalanche" of withdrawals from oil-exporting countries. The official sterling balances of the oil-exporting countries in March amounted to £3.449bn. Overwhelmingly the most important countries are Saudi Arabia, Nigeria and Kuwait.

Postponed decision

The British authorities wanted, at all costs, to avoid indexing oil producers' balances in terms of the dollar, the SDR or real purchasing power, knowing that demands for such indexation would spread. The signs are that they have, for the moment at least, succeeded. A decision on whether or not to raise interest rates was postponed yesterday until the reaction of the foreign exchange market was clear. My own reasons for taking a different view from Whitehall on both interest rates and indexation have been given in earlier articles. I am now simply recording the attitudes which influence policy.

The anti-inflationary measures announced are very much belt and braces. There are wage controls for those who regard "a real incomes policy" as the key to reducing inflation, and cash ceilings on Government spending for those who put the emphasis on monetary and fiscal policy. The Treasury's emphasis is heavily on the incomes policy side: and it is trying to discourage people from linking the public spending measures too closely with it.

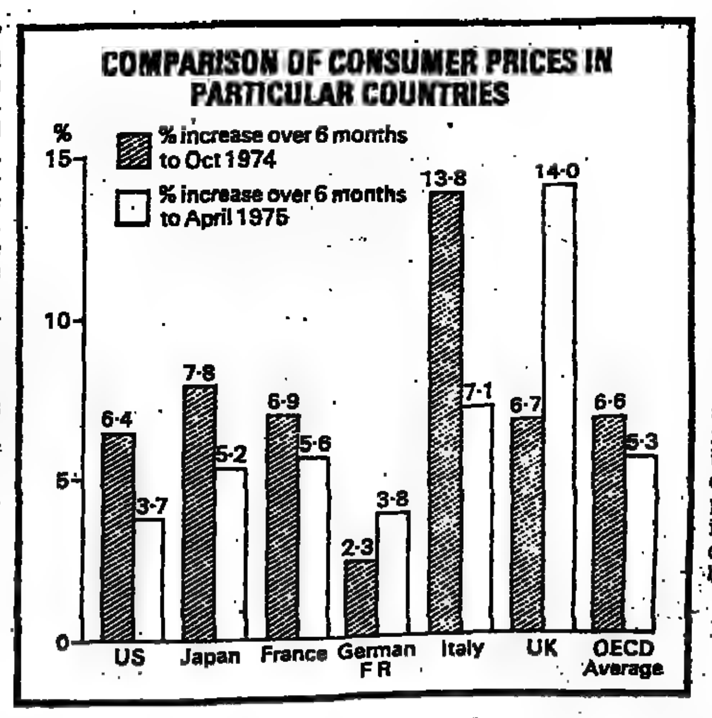
The 10 per cent. wages limit is interpreted to mean more nearly £5 than £6 per head over the whole employed population including women. The limit is likely to be imposed in terms of the average wage per head in each enterprise. The smoke signals from No. 11 yesterday indicated that Mr. Healey was intent on a statutory policy, as he was highly sceptical of securing compliance from the TUC, some of whose members have already opposed any tightening of the guidelines.

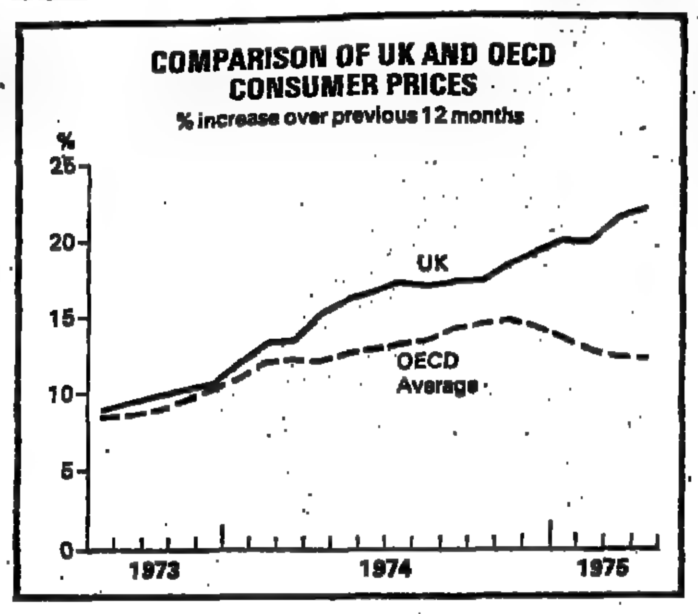
Nevertheless the Chancellor may have difficulty in getting legislation through Parliament, and this could give him second thought. Some MPs will oppose it on valid intellectual grounds. In the first place, legislation would encourage the illusion that inflation can be permanently curbed by wage and price controls and weaken the determination—which needs all the strengthening it can get—to impose effective limits on public spending, public borrowing and money supply.

Second, statutory wage controls would strengthen all the temptations to lean on profits and continue the erosion of personal financial incentives, which will both make for national impoverishment and do more to destroy employment than all the tight money economists who have ever existed. Third, a statutory pay policy would mean that the very necessary battle over union monopoly power will once more be fought at the wrong time and on the wrong issue, and be no more successful than Mr. Edward Heath's or Mr. Harold Wilson's own earlier efforts.

The public spending measures are of three kinds. First, there are the attempts to control the volume of public spending in the next few years as part of the normal medium term exercise. Mr. Healey announced in April that there would be a reduction of £1bn. in public spending in real terms in 1976-1977 below that set out in the January White Paper. The Government is also committed to taking some £2bn. off the spending volume originally planned for 1978-9. Success here would mean, roughly speaking, no real growth in public spending over the next three years. This is exactly in line with what the Bank of England recommended in its last Bulletin to avoid the unrealistic alternative of having to stop all growth in private consumption for a similar period. As it is, there should be a fall in real incomes this autumn, if settlements are made at 10 per cent., while prices are still rising at, say, 16 per cent.

These medium term cuts in "real" Government spending were being worked out well before the latest sterling crisis. The second element, which is completely new, is contained in Mr. Healey's brief remark about cash limits for the whole public sector. This applies to 1976-77 and not to the current financial year. It is no secret that there has been a great deal of scepticism about such ceilings on the part of the aficionados of existing methods of expenditure control. Their hand was forced by the crisis.





Limit for wage bills

The third public expenditure element is the cash limit for wage bills in central and local government and the nationalised industries. This is the only element to be applied in the present financial year. Details may appear in next week's White Paper on incomes. The Public Expenditure White Paper showed a wage and salary bill for 1975-76 of £9.4bn., measured in the prices of early 1974. If one adds about 20 per cent. to convert this into current prices and a little more for the effects of the 10 per cent. wage limit in the remainder of the financial year, one arrives at a ceiling of very roughly £12bn., excluding the nationalised industries.

The package will not be convincing until it is tied up with specific commitments about the borrowing requirement and monetary growth. Official estimates of the borrowing requirement are still in the £9bn-£10bn. range as the erosion of the Budget forecast has been fairly modest. But MPs should press for this figure to be made explicit as a target and policy commitment.

The money supply will need even greater scrutiny. The narrower measure which excludes deposit accounts—for which banks do not find it profitable at the moment to bid—is already rising at an annual rate of 13 per cent.; and this measure tends to rise slightly more slowly than prices in the long term. The main limit to the expansion of the banking system, which is comfortably above its minimum reserve ratio, is simply the lack of business and personal demand for credit.

The demand for credit could change with lightnin spe just when no one is specti it. In both the world nd t British economy, the lilihoo is that re-expansion ll later than political leads no expect, but also mu mo sudden and jerky.

If the Bank of Engla wai before acting it will, as 197 be locking the stable dc whe the horse has fled beyd re capture. The temptati with out published long-ter guide lines, will be especial great as the credit demand, en it comes, will have the tuous label of "investmen and "exports" attached to This is the last moment for Bank of England to be playi down the money supply.

Obviously, however, most dubious and damaging ct of the package is the pral to tighten price controls a weapon against firms ying more than the 10 p ent. norm. Why is this ssary when the reality and it of unemployment can bilied upon to keep down pa the private sector, especiall the public sector is to belast prevented from giving fla tionary lead? Why ndow employers to respond fle in line with their differing ket situations?

What analy[...] find

The Chancellor's pol attitude has been unfortu reinforced by official ana These not only find tha going rate for wage settle is about 27-28 per cent. (w includes thresholds). They claim that if differences in period between settlement allowed for, there has bee de-escalation in the pr sector.

Such estimates are difficu reconcile with a marked dece ation shown by the earn index, which on a season adjusted basis has been ri by an annual rate of only 1 per cent. in the last three to months. The probability su is that market forces have to a growing discrepa between wages actually paid national rates. The anecd evidence of groups of work up and down the country qui foregoing wage increases to p serve employment, is streng ened by statistics showing t nearly all the increase in un ployment has been in manu turing industry or the priv service sector. It really is a much to take a major s towards a directed economy the basis of backroom anal quite unnecessarily closed inspection.

MEN AND MATTERS

Robson's place in the Brandts re-build

The third stage of the management restructuring of Grindlays, following on the Brandts' disasters, comes with the appointment of Nigel Robson. He goes in as a Deputy Chairman of Grindlays Bank, also Deputy Chairman of Grindlays Holdings. The wording of yesterday's announcement that "in the absence of the Chairman, Mr. N. J. Robson will act for him" suggests that Lord Aldington will be absent often enough to make Robson's a key job.

His is a Lloyds appointment (he is also a director of the Lloyds subsidiary National Bank of New Zealand) and balances last month's appointment by Grindlays' other main shareholder, First National City Bank, of Peter Jefferys in a chief executive role for the whole group. In between, in the other management reshuffle, Michael Andrews resigned as the head of Brandts, where last year there were £14m. provisions, and Clifford Vincent, a deputy chairman and Lloyds appointment, started taking "an active interest" in the merchant bank's affairs.

With these shifts in titles and responsibilities out of the way—Lord Aldington's role as triple chairman within the complicated group structure will be to concentrate on strategy—we now wait for the rights issue to complete the first stages of rebuilding. In Robson's case the formal appointment recognises the *de facto* position for the last month.

But it does mean that he has now to give up in practice, as well as title, what was previously his main job as chairman of merchant bank Arbuthnot Latham. At 48, this is a break after 26 years at Arbuthnot, though he remains on its Holdings company Board.

In moving on to bigger banking responsibilities he follows the pattern of Sir John Prideaux, chairman of the National Westminster, whose career was based at Arbuthnot.

But in Prideaux's case there is a family tie. His mother was an Arbuthnot, and it is his son, Christopher Prideaux, who takes over Robson's job. That Arbuthnot's, though smallish (current assets £78m. in the last balance sheet) should provide men for larger banks is not surprising: its connections exceed its public image.

This is true not just in Board membership but in shareholdings by heavyweight banks like Toronto-Dominion, Chartered and Philadelphia International Investment Corporation; and on its insurance side, joint interests with big companies like Munich Reinsurance. Christopher Prideaux says the plan is to increase the size, with a link with a large EEC bank one idea. But there will be no Brandts-type rush: the accent must remain on providing services rather than the straight lending field.

Question of equality

Lady Wootton probably picked a bad day yesterday to query the relatively inferior rate of pay accorded to one recent Government appointee. She pressed ahead, nevertheless, with a question in the House of Lords about the salary of the new chairman of the Equal Opportunities Commission, Betty Lockwood.

Her £10,700 a year was contrasted with the £16,500 paid to Lord Diamond as chairman of the Royal Commission on the Distribution of Income. The latter figure, apparently, relates to that of a civil service Permanent Secretary. Miss Lockwood's job, Lady Wootton learned, was considered in the same league as the Race Relations and Consumer watchdog bodies.

Was this, the baroness wondered later, a "good augury" for women's rights? She thought Miss Lockwood had been in a weak individual bargaining position, adding: "It's appalling. Do we have the rate for the job, or do we get it on the cheap?" Even though a new round of sacrifice undoubtely awaits us all, there is to be an inter-departmental committee on the question.

Wordy

The nomenclature of the property world, as it attempts to trim to the prevailing political winds, is always interesting. When actual re-development is ruled out, the process of doing up an existing building has ranked as "renovation" with a tendency towards "refurbishment" in recent years. But do I detect an important new drift in to-day's annual report from Land Securities which talks of "revitalisation work"

Feting freedom

Margaret Thatcher returned yesterday to the hotel suite where she was elected Tory leader to address one form of the faithful, the first Free Enterprise Day luncheon. Being a brainchild of Aims of Industry, now renamed Aims for Freedom and Enterprise, Free Enterprise Day was suitably packaged, with freedom T-shirts worn on young bosoms and little flags for the less beautiful to wave.

Whether Aims is really the body to put across a revivalist message on free enterprise's behalf remains in doubt. Michael Ivens, its director, is an intelligent spokesman (a poet too) but his brand of razamataz proved a bit much for some of the businessmen yesterday, when they were asked to stand and join in singing a song called *Freedom's Flag*, set to Mozart.

Mrs. Thatcher, who had the excuse of rushing to hear the Chancellor's message, slipped out just in time to avoid this. She had also spoken quickly, in her appeal to "the captains of industry and the stallholders in the market," and it is a manner of speech-making which may suit her better than her big occasion, oratorical pause style. In contrast Sir Keith Joseph, who received a handsome Free Enterprise sculpture from her, produced a series of high-flown, somewhat disconnected appeals to stand firm against the idea of collective utopias which in practice had to surround themselves with minefields and machine guns.

Many top professional managers, as well as the family company defenders, had come yesterday with the feeling that a Free Enterprise Day was at least an effort to reverse the trend to this collectivism. But few were probably won over by the representative from the heart of Aims, Sir Ian Lyle, from the Mr. Cube company, whose attempted joke about the Energy Minister reduced the subject to a simplicity it scarcely merits.

Keep studying

By all means stand up for the centre, but get the spelling right. A Press release the other day announced the launching of "a new national organisation for non-alligned moderate students."

Observer

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The Chancellor's Statement

Two-level cash ceilings for the public sector

BY COLIN JONES

DETAILS of how "cash ceilings" would be operated in various parts of the public sector have yet to emerge. Even some of the departments which would be responsible for implementing them appeared to be caught somewhat unprepared by the Chancellor's statement yesterday. But at this stage three points should be brought out.

In the first place, Mr. Denis Healey himself spoke about cash ceilings being used to serve two quite different purposes. As part of a "battery of weapons" to secure compliance with the de-escalation of pay settlements, cash limits would be fixed for wage bills in the public sector "so that all concerned may understand that the Government is not prepared to foot the bill for excessive settlements through subsidies or borrowing or by loading excess costs on the public through increases in prices and charges."

In other words, this form of cash ceiling would be an incomes "norm" under another name. But, at the same time, the Government intended to employ a system of cash limits more generally as a means of controlling public spending in the short term. Here, the ceilings would be used to reinforce existing controls on spending in real (or resource) terms in order to help restore an effective financial discipline and regain a measure of control over the public sector borrowing requirement.

Adapted

Secondly, it is clear that either type of ceiling would have to be adapted to the particular circumstances of different parts of the public sector. For example, the kind of approach that might be appropriate for the nationalised industries—where, with the exception of the railways, the Government is already intending to phase out revenue subsidies by next April—would not be at all suitable for dealing with the local authorities, who rely upon Government grants to finance two-thirds of their net current spending.

Thirdly, it is equally clear that the effectiveness of the new policy will depend upon the credibility of the limits—which in turn will largely depend upon how long they are intended to last and upon how far in the meantime Ministers are prepared to face the possible consequences in terms of unemployment and strikes and in the development of particular public services.

This last point can be illustrated by considering the last time cash limits were set to Government grants to local authorities. This was in January 1968 and was part of the post-devaluation measures—and it was the Prime Minister, Mr. Harold Wilson, who made the announcement. For 12 months, from November 1967, local authorities were required to absorb the whole of any increase in pay and other costs whereas before then and since each year's rate support grant has been retroactively adjusted in the light of established cost trends.

Local authorities complained bitterly but the practical effect was relatively marginal. In the first place, the rate of inflation was more modest than now; secondly local councils saw quite clearly that all they had to do was to sit out the consequences for one year until the traditional system of control in volume terms was restored. Under this system, each year's grant is not only inflation-proofed by retroactive adjustment but is also fixed in relation to the actual trends of local spending for grant purposes rather than by reference to what was allowed (in real terms) in the previous year.

It is possible that the Government might fix the next rate support grant, which would be for 1976-77, in cash terms. But it does not seem very likely. The margin of error involved in guessing the rate of inflation up to 15-18 months ahead is such that the chances are that local authorities would receive either much too much, in which case the exercise would be meaningless, or much too little, in which event it would surely break down.

What is more probable is that Ministers will announce that the next rate support grant increase orders (the mechanism whereby the grant, as fixed in real terms, is subsequently adjusted in the light of actual cost trends) will be based upon a 10 per cent. allowance for increased pay together with the normal allowance for the higher cost of bought-in supplies. In other words, cash ceilings would be used to reinforce the norms for incomes policy.

Local authority negotiators would thus be faced with a straightforward trade-off between conceding higher pay settlements and not filling vacancies or actually shedding staff. In this respect cash ceilings could be more effective than the current joint monitoring of numbers, which is largely a cosmetic. Offsetting savings could be made in other areas, too.

Potential

But the disciplinary potential of cash ceilings would be minimal if the impression got about that they would be strictly limited in duration. Nor is this the only possible danger. At the present time, Mr. Anthony Crosland, the Secretary of State for the Environment, is trying hard to convince local authorities that the Government intends to change the practice whereby each year's grant is caculated *de novo* by reference to the actual spending rather than to what was previously allowed.

The limit to real growth in 1976-77 has currently been set at 1¼ per cent. but this is to be based upon this year's permitted increase which was set at 4.8 per cent. (to allow for "inescapable" on-going commitments). The actual trend of this year's spending is still being assessed but, while some authorities have cut back sharply, it is clear that others have not done so and if the overall effect is an average increase of more than 4.8 per cent. this year then, Mr. Crosland has indicated, the allowance for next year, and the corresponding grant settlement, will be that much lower.

For even this "threat" to be credible, however, there has to be a measure of restraint not only on the part of local councils but also in Whitehall. Local authority spending has all the momentum of a fully-laden supertanker and, by general reckoning, about 80 per cent. or thereabouts of that momentum is generated by departmental Ministers, their professional advisors, and Parliament. Ministers are constantly urging councils to develop or improve this or that service—a pressure which is reinforced at the professional level by the interchange of ideas among specialist staffs in Whitehall and town halls.

Even now the Government is passing through Parliament legislation, such as the Community Land Bill and the Employment Protection Bill, which will add further to the duties and staffing of local authorities. The forward revenue implications of new capital expenditure, which has been running at an historically high rate, may not yet be fully realised by those in Westminster who are calling for restraint.

Mr. Crosland has acknowledged the point—and local authority representatives are making use of his new consultative council to ensure that this aspect is not overlooked. But the point is that cash ceilings or any other attempt to set a firm limit to local spending will break down unless Ministers themselves are prepared to follow the implications through. At the present time, the relationship between local and central government is nominally one of partnership albeit unequal but with at least lip-service paid to the idea of local autonomy. This inevitably leaves a margin of ambiguity, which enables governments to appear both tough and expansionist as circumstances require. There has already been some back-sliding—over housing improvements, for example. In the absence of consistency, between the pressures for greater expenditure and the urgings for overall restraint, cash ceilings and next year's 1¼ per cent. limit on real growth will both lack credibility.

Rough justice for the corporate sector

BY SANDY McLACHLAN and ELINOR GOODMAN

THE SUCCESS of the package outlined by the Chancellor in broad principle yesterday will depend almost entirely on the confidence which it generates on both sides of industry as to its effectiveness. Therefore the forthcoming White Paper is likely to hand down rough justice on two counts, the time element (it is promised within ten days) allows little scope for sophisticated drafting, and the need to make the provisions stick in a form acceptable to all leaves little room for exceptions.

On the face of it the corporate sector has good reason to fear the effects of the tough line laid down by Mr. Healey about wage settlements over the 10 per cent. norm. After all, this is an addition to a Price Code which already bears hard on industry. To give just one example, there are a number of food manufacturers already on the point of going broke—Mrs. Shirley Williams has admitted as much—and any penalty for excess wages settlements coming out of minimal profits—or adding to existing losses—could be the last straw.

On the other hand, industry has good reason to breathe a deep sigh of relief, at least about the bare outlines of the Chancellor's proposals. Immediate tightening of direct price controls, much canvassed in some quarters, has not materialised; nor has an outright freeze on prices.

Cost problems

There is an argument that a freeze on prices, if matched by a freeze on incomes, would actually have benefited manufacturers, since productivity is on the increase. There are, however, two possible flaws to this: it would mean manufacturers absorbing price increases already in the pipeline, which some of the hardest pressed would be unable to do; and it is unlikely that the Government would have left any productivity loophole unplugged.

Anyway, the measures proposed could be favourable to manufacturing industry, although what it means to the distributive trades is at this stage a matter for conjecture. If the proposed 10 per cent. limit on the wage bill is made to stick, it means immediately that the worst of the manufacturers' cost problems are considerably reduced. Meanwhile, it appears at the moment that price increases in the pipeline will be allowed through and, according to the Chancellor, the

Mrs. Shirley Williams: aware of the problems which the existing controls are creating.

Government's measures would include "action to check the rate of price increases as the rate of pay inflation slows."

Much of the discontent surrounding the applications of the present Price Code centres on the delays involved in manufacturers recouping cost increases in a situation on accelerating inflation. Presumably therefore there is at least a chance that profit margins could be repaired to some extent if the same delays apply to making price reductions (or a lowering of the rate of price increases) as and when the wages spiral is brought under control. Since it is the administrative machinery which is causing problems at the moment, there is no reason to assume that it would be any slicker in reverse.

This leads to the question of just how the Chancellor's broad proposals are to be implemented in detail. When it comes to control of the corporate sector on both wages and prices, there are problems of how to co-ordinate the immediate crisis aims of the Chancellor's package with the longer term negotiations which are going on about the future of the price control system administered by the Price Commission.

Watchdog

An idea which had gained a good deal of acceptance within the Department of Prices and Consumer Protection was that the Price Commission should become a much more general watchdog over prices along the lines of the old Prices and Incomes Board. But now it may very well figure prominently in the policing of the 10 per cent. rule on companies. This may not be popular with members of the Commission, but it is an obvious possibility since the Commission is an established watchdog with offices, staff, and defined procedures for dealing with companies on points of detail.

Detail is going to be very important both in the White Paper and in the implementation of the regulations which result from it. Questions which have to be answered at the White Paper stage include, for example, what happens to the existing productivity deduction and will companies within the 10 per cent. norm still be subject to it? (If, of course, the rate of wage increases is brought down to 10 per cent. the existing sliding scale deduction becomes considerably less penal on company profits than it is at current rates of wage settlement.)

The 10 per cent. norm itself requires definition. As the PIB discovered, there are lots of ways of defining labour costs and it makes a good deal of difference whether one talks of the total wage bill or unit labour cost. Whatever formula is applied, it is bound to create anomalies in individual companies or industries.

That in turn implies a body which has to decide on the merits of each case. This is where the mechanism of the Price Commission could come in, and Sir Arthur Cockfield could find himself — however reluctantly—taking on the role played by Sir Frank Figgures in the now defunct Pay Board. But another thorny problem is how those companies who are already entitled to operate under the safety net provisions of the existing Price Code should be treated.

One complaint about the present Code is that although a large number of companies are entitled to resort to the safety net clause, a substantial proportion find themselves unable to do so for one reason or another (for example, competitive pressures in the market place). To subject them to the 10 per cent. rule could break them if they are faced with powerful union negotiators, but to exempt them could threaten the acceptability of the whole package since each exemption weakens the principle of universal application.

Anomalies

It is clear therefore that a lot of work has to be done both before and after the publication of next week's White Paper, and it is to be hoped that the drafting of the latest rush package on company prices and profits is not as loose as it was on some previous occasions. But at least Mrs. Williams and her Department are now keenly aware of the problems which existing controls are creating and the areas where anomalies are hitting hardest. It is plain too that the Chancellor will bear in mind the need to maintain the incentive for future investment, however tough his proposals must appear to be.

The main proposal that affects companies—the inability to pass on any excess wage settlement in the form of higher prices—is not even new. It was put forward by Mrs. Williams last year in a consultative document on the Price Code and was rejected at that stage by both the CBI and the TUC. In to-day's much changed climate it may well be acceptable to both of them as the best option in a voluntary or even a statutory anti-inflation package.

Letters to the Editor

Over-spending on food

From Mr. E. Smith.

Sir,—Following the publication by the Ministry of Agriculture of the National Food Survey for the first quarter of this year, stating that the weekly food bill for the average family in Britain has risen to a record £3.46 per person, I have asked my wife to reimburse me with a substantial sum of money, which she has obviously overspent on food during the course of the last few months.

In turn, my wife has asked me how she should go about the preparation of meals, leaving aside in-between items for herself, myself and two growing and very hungry boys, allowing for the fact that she has £13.84 to spend (4 x £3.46) and 79 meals (4 x 3 x 7 minus 5) for which to cater.

I have responded by stating that anyone knows that you can get a good wholesome meal anywhere for 17.51898p!

E. R. Smith.
47, Felstead Road,
Orpington, Kent.

Rail pensions liabilities

From the Director General, Royal Institute of Public Administration.

Sir,—I was saddened to read in Colin Jones' article on the Government's current transportation policy (June 30) that the Exchequer has now committed the taxpayer to a further payment of no less than £97m. "to help fund the railways pension liabilities."

The latest accounts for the railways pensions funds are currently being printed, but those for financial years ending in 1973 showed income of £58m., expenditure of £22m. and a revenue surplus of £36m. Why, therefore, should the taxpayer be required in the present desperate times to place another £97m. in the hands of the managers of the various railways pension funds merely for portfolio investment?

This Exchequer donation will no doubt require newly borrowed money for which the Government will presumably have to pay an interest rate of about 14¼ per cent. We are not informed of the period over which the Exchequer will amortise the debt it is now incurring in order to swell the annual surpluses of the railways pension funds, but the cost to the taxpayer will presumably be over £15m. a year for many years. Surely it would be very much cheaper—and therefore in the national interest—for the taxpayer to underwrite any losses that the pension funds might ultimately incur if and when their revenue accounts fall into deficit.

Subject to what the latest accounts may say, this is not likely to happen for a long time and if the funding of railways pensions liabilities continues meanwhile we can be sure that the present £97m. will be neither the last nor the largest of the capital shortfalls that the taxpayer will be called upon to meet.

I have read with much interest your current series of major articles on the problems of reducing public expenditure. A fresh look at the methods of financing the pensions of employees of the nationalised industries and of local authorities offers one of the quickest and least difficult ways of making progress towards that very desirable end.

Raymond Nottage
Royal Institute of Public Administration.
Hamilton House,
Mabledon Place,
W.C.1.

Debentures for investment

From Mr. H. Lawless.

Sir,—If we are to improve both our general economic situation, and rewards to providers of capital and labour, it is vital to improve industrial investment. Membership of the European Economic Community means that we must tread warily when Governmental sources aid particular enterprises to re-equip lest it should be regarded as an unfair industrial assistance.

Instead of devoting huge funds to the nationalisation or near-nationalisation of particular concerns in order to secure control of the commanding heights of the economy, it would make better sense to find ways in which these funds can be used to boost industrial investment. One such method could be to make more use of debenture stocks or some variation thereof. Investors will be aware that such stocks carry a relatively low return due to the security of the investment, which is usually backed by a lien on some or all the physical assets of the enterprise. A one or two per cent. debenture stock would stand little chance of sale in the open market, but a Government could take up such stock.

If such loan stocks were to be secured on the newly-acquired machinery then there would be some basic substance to what would be in effect, the taxpayers' investment and the stock could be redeemable at some future stated time. Increased returns to the Exchequer via future Corporation and income-tax (resulting from greater productivity and profitability) would be the main return to the long-suffering taxpayer.

Another approach to the problem might be a Government lease-back system, in which an official department purchases stated assets and leases them back to an enterprise; this might prove more appropriate for unincorporated organisations. Wouldn't these be better uses for the resources of "Finance for Industry" than any front or back door nationalisation of private enterprise?

H. Lawless,
Senior Lecturer in Accountancy,
The Polytechnic,
Queensgate, Huddersfield.

NUBE and the TUC

From Mr. J. Orchard.

Sir,—I strongly object to the National Union of Bank Employees' decision to go cap in hand, prodigal fashion to the TUC seeking a return to that body. It was NUBE that kept in line regarding the Industrial Relations Act and it was distinctly wrong of the TUC to evict NUBE from its house.

As far as I am concerned the TUC is far too political and biased to serve the purpose of NUBE with members of all political persuasions, and I am flabbergasted to know that the decision to apply to return to the TUC was overwhelmingly in favour at the conference. Also it is ludicrous to think that if the application is accepted by the TUC it is almost a certainty it will impose a penalty of £30 000 being the back reaffiliation fee due, and if NUBE spends any of my fees on this outstanding amount I will most certainly seek advice on the matter.

Finally, this country is in a most appalling plight financially, yet some of the strong unions of the TUC continue to wield the whip, demand and get all the currants from the cake, thus weakening our position still further. In view of this and as a responsible union member of 35 years' standing, I prefer to keep away from the controversial home that expelled a sincere member, NUBE.

J. Orchard.
160 Maltings Lane,
Witham,
Essex.

Policy for tourism

From The Chairman,
EMI Hotels and Restaurants.

Sir,—Mr. Sherman's plea (June 24) to be spared the insult to his intelligence by the special pleading of vested interests like my own has a cracked ring about it which is impossible to repair without a complete recast. I should like to assure Mr. Sherman that the vested interests which I try to represent are those of the tourist industry as a whole in the hope of benefiting the national economy.

The issue is becoming clear and well defined. Do most people support a policy of expansion which, inter alia, should include a plan for management of tourism or alternatively do they prefer that tourism be controlled under regional plans of management with no growth objectives? I believe that the vast majority of the British people will not accept Mr. Sherman's statistics, logic, and moreover will disagree with his reasoning.

It is good that an anti-tourist has put his case and I am sure that both his case and mine will be considered carefully by all concerned. I hope that in the final analysis, Britain will go for growth and concentrate as much on improving her share of the expanding world tourism market as she does on her markets for other major products.

M. A. Bosman.
EMI Hotels and Restaurants,
Victory House,
Leicester Square, W.C.2.

Teachers' pay

From Mr. C. Reeve, Mr. D. Tweddle, and Mr. M. Ruance.

Sir,—In December 1974 teachers received a 30 per cent. pay award. Unlike previous occasions, the supportive professional advisers did not receive an equivalent increase to maintain salary differentials.

Roughly 10 per cent. was originally offered to educational psychologists and rather more to advisers and inspectors of schools. This has been slightly increased but it is reliably reported that even this will be withdrawn at the next round of negotiations on July 2!

Recruits for further training to our wholly graduate profession come from the ranks of experienced, qualified teachers. The present anomalous salary position, however, makes such a move a distinctly unattractive proposition. This is particularly serious as there is already a chronic shortage of educational psychologists. Further, a recent Department of Education and Science circular 2/75 has given us a decisive role in the placement and education of children with learning problems.

In view of the present national controversy about standards in education and behaviour in schools, it seems incredible that our employers propose manifestly unjust treatment of those to whom they turn for advice and help.

Our advice to teachers who contemplate becoming educational psychologists is—don't!

C. J. Reeve, D. A. Tweddle,
M. J. Ruane.
Child Guidance Service,
Littleton Street West,
Walsall,
West Midlands.

COMPANY NEWS + COMMENT

Carclo jumps £286,000 to record £0.65m.

AFTER AN expansion from £177,000 to £313,000 at half way taxable profit of Carclo Engineering Group jumped from £366,000 to a record £652,000 for the year ended March 31, 1975.

Earnings per 25p share are shown to have risen from 4.5p to 7.1p and a final dividend of 1.1201p net lifts the total from 2.0763p to a maximum permitted 2.2507p.

	1974-75 £000	1973-74 £000
External sales	6,393	4,226
Engineering	4,291	2,623
Card Clothing	[illegible]	1,449
Overseas	133	132
Trading profit	713	355
Engineering	483	181
Card Clothing	192	135
Overseas	18	23
Investment income	10	33
Interest paid	61	19
Profit before tax	652	366
Tax	350	[illegible]
Minority	7	5
Net profit	302	197
Extraordinary debits	37	40
Pref. div.	12	18
Available for Ord.	236	139
Ord. dividends	99	83
Retained	137	56

● comment

The point which really strikes home in Carclo Engineering's preliminary statement is the sharp improvement in the engineering division—margins on this side are almost 3½ points up on the corresponding period at 11½ per cent. The story behind this is more skilful marketing, a more profitable mix and a better production performance on basically the same manufacturing facilities. The Card Clothing division, too, has made progress in profit terms, though here exports have come rather more into play and overall there has been some deterioration in margins. As regards the balance sheet, net bank borrowings are lower though the report when published will show a new item in the form of £1m. in acceptances. The engineering side still offers the best growth area for Carclo, though the current order book position is now apparently less buoyant. The yield of 9.8 per cent. at 38p has a cover of well over three times, and the result is a pre-tax profits advance of almost a third, backed by a resumption of an interim dividend after last year's single reduced payment. Demand is apparently still strong with no particular pressure on the balance sheet, so all the indicators for the second half look favourable. The share price responded with a 2p gain last night to 16p, against a 1975 low point of 9p, and for those chasing yield the historic 16.6 per cent. (with the definite possibility of more to come) could prove a draw.

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Extel sees improved results

EXPECTATIONS of improved trading results for the current year and confidence in the group's long term future are expressed by Mr. John Harvey, Chairman of the Exchange Telegraph Company (Holdings), in his annual statement.

Activities of Extel include printing, the supply of sporting and financial news, information services, telephone communications systems, communications engineering, the sale, hire and maintenance of equipment, and advertising and public relations.

As reported on May 30, group pre-tax profit for the year to March 31, 1975, was £984,000 (£1,813,000) for the previous year. The dividend total is 4.05p per share net.

The principal reason for the fall in profits was the reduced contribution, owing to the depressed state of the City, by Burrup, Mathieson, which specialises in printing financial and legal documents. The re-organisation and rationalisation of Burrups have enabled it to maintain its "eminent position in its own particular field and to maintain fully the speed and efficiency of its services." Mr. Harvey adds that there are reasons for optimism.

Robophone, the telephone answering and communications company, which joined the group last year is proving to be a valuable acquisition. The Board believes that this company is well set to provide increasingly satisfactory results for the future.

Meeting, East Harding St., EC, on July 24, at noon.

● comment

After the lower level of City activity which depressed Exchange Telegraph's profits last year, signs of a revival this year are pointing to a partial recovery in 1975-76. The printing subsidiary, Burrup Mathieson, after closing a large works last February, is on a more viable basis, and the recent spate of rights issues is pushing profits back up. But a return to the hey-days of a couple of years ago at Barrups is not expected, and even with a £0.2m. contribution from Robophone a full recovery is some way off. Even so, after the expenditure of last year Extel still has a relatively healthy balance sheet, and this year so far is looking more profitable than the last. So, Extel is a recovery situation, perhaps already appreciated in a yield of 8.6 per cent. at 72p which may leave little for potential

Chairman's Statement Page 21

Peak £6.7m. for Fleming Property

Last month's offer of units in the Fleming Property Unit Trust attracted a record £6.7m., almost twice that raised in March, which at £3.6m. was the previous peak. Altogether 53 separate funds applied for units, including 30 new investors.

Value of the trust now stands at £31m., of which £10.3m. has been added in the last six months.

The trust was formed in April, 1970, to enable pension funds and charities to invest directly in property. It is used by 144 institutional investors including 14 local authorities, four of which were new subscribers to the June offer.

Halfway rise at Bond St.

A PROFIT in excess of £290,000 is looked for by Bond Street Fabrics for the year to September 30, 1975. For 1973-74 the company made £264,000.

In the six months ended March 31, the profit came out at £143,000, compared with £110,000, and the directors expect that, unless there is a "catastrophic change" in the economic climate, the second half will exceed that.

The directors are paying an interim dividend of 0.73p per 10p share, and a final is expected that will reflect the continuing upward trend of business. Last year, there was a single 1.7p payment.

After tax £73,400 (£57,200), the half year's net profit was £69,600 (£52,800).

● comment

Bond Street Fabrics' first six months have gone well and while no turnover figures are provided there has obviously been a good helping of volume increases. Margins have been roughly maintained

£1.28m. fall at Morgan Grampian

A DECLINE in pre-tax profit of £1.28m. to £0.56m. is announced by Morgan-Grampian, after a loss of £32,000, compared with £1.11m. profit in the first half.

Final dividend is 1.22224p net per 25p share, which raises the total from 2.0161p to 2.1883p, the maximum permitted.

The directors say that while the current year opened rather better than expected in the current economic climate, action to control inflation promised by the government will be to the detriment of the company's business in the short term.

The U.S. government is forecasting an upturn in business in the autumn. If this happens, the U.S. business magazines are well placed to take their share of an expanded market, they add.

	1974-75 £000	1973-74 £000
Turnover	18,793	15,321
Trading profit	1,887	2,573
Exceptional debits†	331	737
Profit before tax	556	1,836
Tax	485	1,149
Profit after tax	71	687
Minority interests	—	7
Extraord items less tax ††	858	2,199
Pref Div.	10	10
Ord Div.	224	207
Retained	795	2,662

†Including new magazine dev. costs of £778,000 (£736,000) and £345,000 loss (£1,000 profit) on sale of magazine titles.
††Arising from profits of sale of freehold development property interests.

● comment

Although Morgan Grampian's figures are bolstered by significant amount of exceptional profits it is still clear that the company was on the recovery tack in the second half. Belated increases in advertising rates were taking effect, a trend which has continued into this year. Costs, however, continue to escalate while advertising volume is slightly lower. That suggests a quick erosion of the benefits from higher rates pending the next round of increases. The inevitable delay in catching up with costs at a time of falling advertising volume is hardly the right climate for recovery. But the shares at 38p, where the yield is 9.1, are well supported by a very liquid balance sheet.

Freddie Mansfield

Lord Pritchard, chairman of Rothmans International. Yesterday he announced a downturn in 1974-75 profits, but maintenance of the dividend on the hopes of a recovery.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bond Street Fabrics ...int.	0.73	—	—	—	1.7
Carclo Eng.	1.12	Aug. 29	1.03	2.25	2.08
London Weekend TV ..int.	10	—	10.05	—	14.77
Morgan-Grampian	1.22	Aug. 18	1.14	2.19	2.02
Rothmans Intl.	0.98	Sept. 11	0.6	1.52	1.14(a)
Standard & Chartered	7.04	—	6.63	13.29	12.25
Tex Abrasives	2.06	Sept. 15	1.96	2.71	2.48
Weston-Evans	1.46	Aug. 18	1.4	2.28	2.25*
Zinc Alloy Rust-Proofing	0.44	Aug. 21	0.2	0.61	0.37

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For nine months.

Brown Boveri Kent £1m.

In its first full accounts, Brown Boveri Kent announces a pre-tax profit of £935,000 for the year ended March 29, 1975.

The directors explain that following the scheme of arrangement involving BBC Brown Boveri and Co., of Baden, Switzerland, George Kent is now owned by BBK. It was only after the scheme came into force—December 13, 1974—that George Kent felt the benefit of the new capital subscribed by Brown Boveri.

None of the measures taken by BBK during its first months of operation had any significant effect on the year's results; thus the BBK results are the net operating results of George Kent.

After minorities, earnings per 25p share are shown to be 0.02p. Dividend is nil.

The balance sheet shows fixed assets at £10.09m., current assets at £32.77m., current liabilities at £18.54m. and total assets at £43.85m.

	1974-75 £000
Turnover	45,318
Trading profit	2,720
Interest charges	1,785
Profit before tax	935
Tax	667
Net profit	268
Minority interests	261
Extraordinary items*	781
Net deficit**	774

*Includes foreign exchange fluctuations £667,000 and capital duty and listing expenses £114,000. **Includes deduction from share premium account of BBK £114,000 and deduction from retained earnings in the accounts of subsidiaries of £660,000.

The results for George Kent indicate a turnround from a pre-tax loss of £104,000 in the year 1973-74. This includes the results of the former scientific and medical subsidiaries disposed of on April 1, 1974.

As a specific result of the Scheme of Arrangement, £100 ordinary share capital was added. The share premium, less capital duty, totalled £3.79m. An amount of £1.93m. was deducted from retained earnings, including £1.78m. on disposal of subsidiaries and £130,000 capital duties, fees and expenses, leaving a net increase to equity holder's funds invested of £1.86m.

	1974-75 £000	1973-74 £000
Turnover	45,318	44,354
Trading profit	2,720	1,398
Interest charges	1,785	1,702
Profit before tax	935	†294
Tax	667	485
Profit after tax	268	†809
Minority interests	248	107
Pref. div.	13	13
Forgn. ex. fluctuations	†667	41
Other extraord. items	—	30
Net operating loss	660	998

†Loss

Warwick Engineering

Mr. N. Gidney, chairman of Warwick Engineering Investments, while making no forecast feels that the profit for 1975-76 should not be less than the £652,000 reported last year.

A heavy programme of investment is planned in the engineering companies which will enable them to maintain their share of export markets during the early 1980s should the position of sterling improve as anticipated.

A selective programme of acquisition has been commenced and the group is now engaged in examining a number of "very attractive propositions."

There are two major areas that continue to cause Mr. Gidney concern—in the non-engineering sectors, the automotive and footwear divisions. In 1974-75 those two sectors produced a profit of £188,433 and a loss of £116,370 respectively.

RESULTS AND ACCOUNTS IN BRIEF

ASHDOWN INVESTMENT TRUST—Interim dividend 0.85p net (0.875p) already declared. Revenue six months to May 31 1975 including imputation credit (after interest and management expenses) £270,500 (£258,000). Taxation on revenue: Overseas taxes £7,728 (£11,897). U.K. taxation after credit for overseas taxes £91,408 (£91,800). Tax on franked income £72,151 (£65,103). Totalling £101,227 (£80,102). Preference dividend (net) £4,355 (£4,295). Revenue available for Ordinary holders £164,918 (£174,610). Interim Ordinary dividend £20,122 (£92,937). Total net assets (taking investments at market value, including the full investment currency premium where applicable but before deducting Debenture, Preference and Loan Stocks) at May 31, 1975 £16,791,000 (£17,272,000). Net asset value per 25p Ordinary share (assuming full conversion of convertible stock) 140p (107p), including an amount in respect of the full investment currency premium, of 10p (13p).

BARNET CHRISTIE SECURITIES—Turnover year to April 30 1974, £220,936 (£507,081). Group loss £77,593 (£20,300). Credit extra-ordinary items £115,167 (£47,831). No tax (same). Profit after tax, etc., £37,572 (£27,131). No dividend on Ordinary (same). Chairman says that the group is at last entering a period of profitability and growth, providing reasonable economic conditions prevail in the coming 12 months he is confident that the group will be able to make satisfactory acquisitions.

JAMES HALSTEAD (HOLDINGS)—Results for six months to December, 1974, already known. In his first interim statement as chairman, Mr. J. S. Leach states that after taking account of all the relevant factors including inflation, the group's current trading position is satisfactory and the long-term outlook continues to be good. In view of the necessity of the provision for closure losses regarding the subsidiary Kabelite the directors considered it unwise to declare an interim dividend, but the position will be reviewed in the light of the results for full year.

MALIT SECURITIES—Pre-tax revenue £10,322 (£14,130), after expenses £1,958 (£4,597) and Loan stock interest £1,104 (nil) for six months to April 30, 1975. Tax £951 (£4,734). Earnings per share basic 0.53p (0.99p) and fully diluted 0.90p. Fully diluted net asset value per Ordinary share 31.5p (35.12p) at October 31. Interim 0.75p net (0.5025p). Pay August 29. Board states that subject to unforeseen circumstances, total dividend for current year will be in excess of 0.7025p net paid last year.

J. T. PARRISH—Dividend 3.835p (3.5175p) for 49 weeks to February 2, 1975 (52 weeks to February 23, 1974). Turnover £2,092,574 (£1,869,029). Net profit £63,177 (£64,845) after tax of £67,406 (£60,260). Earnings per share 8.77p (8.94p).

PROPERTY INVESTMENT AND FINANCE—No dividend year ended March 31, 1975 (interim 2.1p). Turnover £5,090,890 (£2,746,000). Net loss £1,441,000 (profit £200,000) after interest £371,000 (£958,000), write down of assets to net realisable value £1,326,000 (nil) and after crediting tax of £292,000 (debit £109,000). Net asset value per share 115p (146p) and 119p (149p) fully diluted. Interest payable for the year does not reflect the full year's saving which will accrue following the reduction of bank overdrafts from £7,500,000 to £2,500,000.

TRAVIS AND ARNOLD (builders' merchants and timber importers)—Results year to February 28, 1975, reported June 11. Group fixed assets £8.29m. (£8.94m.). Net current assets £7.99m. (£6.69m.). Despite pressure from inflation on capital requirements during year, through tight control of stock and debtors, short term borrowing levels were reduced considerably. This improvement has continued during the last three months so that there is credit balance with the joint stock banks. This situation gives the proper base to face a future which depends so much on Government being able to control the disruptive pressures that threaten economic stability. "Given this I am confident that we can enjoy a year of reasonable progress in our company and obtain the increased share of the market we must have to achieve the growth we require." Meeting, Northampton, July 18, noon.

VERNON FASHION GROUP—Results year to February 1, 1975, and scrip issue proposal reported June 4. Sales to date lead chairman to believe that another year of record profit will result. Group fixed assets £0.64m. (£0.54m.). Net assets £0.62m. (£0.5m.). Meeting Great Eastern Hotel, E.C., July 23, noon.

WHARF MILL FURNISHERS—Results year ended March 31, 1975 reported June 28. Group fixed assets £452,159 (£380,479). Net current assets £126,635 (£127,229). Meeting Ashton-under-Lyne, July 24 at 11 a.m.

THE WINTERBOTTOM TRUST—Interim 1.375p (same) for the six months ended May 31, 1975. Franked investment income £105,466 (£141,935). Unfranked investment income £127,519 (£134,850). Management expenses £17,341 (£14,423). Interest £79,730 (£116,205). Revenue before taxation £135,934 (£166,220). Taxation takes £46,219 (£55,985), leaving £89,715 (£110,235). Interim dividend £73,600 (£73,600). Total net assets at market value £12,319,545 (£10,719,324). Asset value per Ordinary share of 25p after deducting prior charges at par 287p (133½p), including full dollar premium of 49½p (19½p). Dollar premium based on current exchange rates 852 per cent (252 per cent). Earnings per share are expected to show some reduction in the current year, but not to the extent suggested by the results of the first six months which were adversely affected by the incidence of dividend receipts. The increase in the percentage of total funds invested in U.K. equities is attributable primarily to relative market movements and to a lesser extent, to the application of overseas funds to the repayment of the bank loan of Dutch Fls.3,225,400 on January 15, 1975. There was in fact a modest net disinvestment in U.K. equities in the six months to May 31, 1975.

ISSUE NEWS

Tate & Lyle rights to raise £18½m.

Tate and Lyle proposes a one-for-four rights issue at 170p per share to raise about £18.5m. The issue has been underwritten by Kleinwort Benson while the brokers are W. Greenwell.

There are plans to spend money on extensive modernisation and improvement of the refineries and there is a capital investment programme to support the activities in the areas of storage and distribution. The research programme has been expanded and several new sugar based products are now at the pilot plant stage.

In addition, the proceeds will provide funds for working capital required in connection with the group's continuing expansion and also help with temporary fluctuations in borrowing requirements.

The company has declared a second interim dividend in respect of the year ending September 30, 1975, of 3.2p net per ordinary stock unit. A final of 3.6p net per share is forecast. The new shares will rank for the final but not the second interim.

E.G.M., July 17 — authorised capital to be increased from £50m. to £65m.

See Lex

SUNDERLAND PRICE AVERAGE £99.66

The offer for sale by Sunderland and South Shields Water Company of £3m. of 9 per cent. Redeemable Preference Stock 1980, attracted applications for £6,094,300 of stock.

The average price obtained was £99.66 per cent. and the lowest price to receive partial allotment was £99.43. Dealings will start today and brokers to the issue were Seymour Pierce and Company.

The average price achieved is about 80p per cent. off market expectations at the time of the offer, and 67p below the average price obtained for the East Surrey issue. So, this will have obvious repercussions on the Cambridge issue published yesterday, even though Cambridge is asking for a smaller amount.

12% ONE YEAR LOCAL BONDS

The coupon rate on this week's batch of local authority one year bonds has risen to 12 per cent. due July 7, 1976 against 11¾ per cent. at £99½ last week.

This week's issues are: Wansbeck District Council (£½m.), Bradford Metropolitan District Council (£½m.), West Oxfordshire District Council (£½m.), Borough of Ipswich (£½m.), Preston Borough Council (£1m.), City of Southampton (£1m.), County Council of Tyne and Wear (£½m.), London Borough of Barking (£½m.), London Borough of Bexley (£1m.), Grampian Regional Council (£1½m.), London Borough of Hammersmith (£1m.), London Borough of Hillingdon (£1m.), Birmingham District Council (£1m.), City of Glasgow District Council (£2m.), Trafford Borough Council (£½m.), Braintree District Council (£½m.), Borough of Worthing (£½m.), Sedgemore District Council (£½m.), East Hampshire District Council (£½m.), Borough of Ipswich (£½m.).

DUPORT

Duport announces that acceptances have been received in respect of approximately 60.4 per cent. of the 6,463,834 new Ordinary Shares of 25p each offered to the holders of Ordinary Shares in the ratio of two new shares at 45p per share for every 9 Ordinary Shares.

The 2,560,690 new Ordinary Shares not taken up will be re-allotted to the underwriters.

U.K. Optical forecasts 4.2p total

Mr. G. C. D'Arcy Biss, chairman of U.K. Optical and Industrial Holdings, says in his annual statement that he hopes the directors will be able to continue the development of the group along the lines established in recent years.

However, if general economic conditions do deteriorate substantially, "I am confident that the relative stability of the market for the group's main products, the broad world-wide spread of its sales and the strong cash position of the group following the rights issue will enable the group to withstand any difficulties better than most."

The group is in the process of raising approximately £1.7m. for further expansion by means of a 1-for-4 rights issue at 65p. In view of this, the Treasury has agreed to consent to the payment of dividends totalling 4.2p net in respect of the current year, an increase of some 33 per cent, and the chairman states that subject to unforeseen circumstances, it is the intention of the directors to recommend payment of dividends at this increased level in respect of the year.

As reported on June 11, the group achieved a record pre-tax profit of £2.63m. (£2.17m.) for the year to March 31, 1975, a rise of 21 per cent. on the previous year. Turnover increased by 18.5 per cent. to £24m. (£20.3m.). The total dividend is 3.153p net (2.892p), the maximum permitted.

The broadening of the still group's interests in recent years into service activities, as represented by the Cory Tea and Coffee Plan, and into distribution of smaller utensils and tableware, as represented by William Page and Company, stood the group in good stead last year.

Meeting, Winchester House, E.C., on July 24 at noon.

Chairman's statement, Page 20

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

Sketchley Ltd.	Hinckley	£632,363	31. 3.75
Crosby House Group Ltd.	London EC3	£94,474	31.12.74
The Consolidated Tea & Lands Co. Ltd.	Glasgow	£360,000	30.11.74
The Borhat Tea Co Ltd.	Glasgow	£3,375	31.12.74
Old Swan Hotel (Harrogate) Ltd	Harrogate	£16,871	31. 3.75
Norcros Ltd.	Reading	£2,412,278	31. 3.75
Wedgwood Ltd.	Stoke-on-Trent	£1,011,698	29. 3.75
Elswick-Hopper Ltd.	London W1	£92,598	31. 1.75
National Carbonising Co Ltd.	Mansfield	£116,603	31 3.75
Tronoh Mines Ltd.	London EC4	£618,947	31.12.74

Published by the Treasury as required by the above Act

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Member FDIC

Morgan's Corporate Research analysts are industry specialists. Here, visiting an aircraft assembly plant, are three members of the Europe team: Gary Herbst, Michael Sellars, Anthony Bird, with Ruth Zilkha, general banking, Paris office

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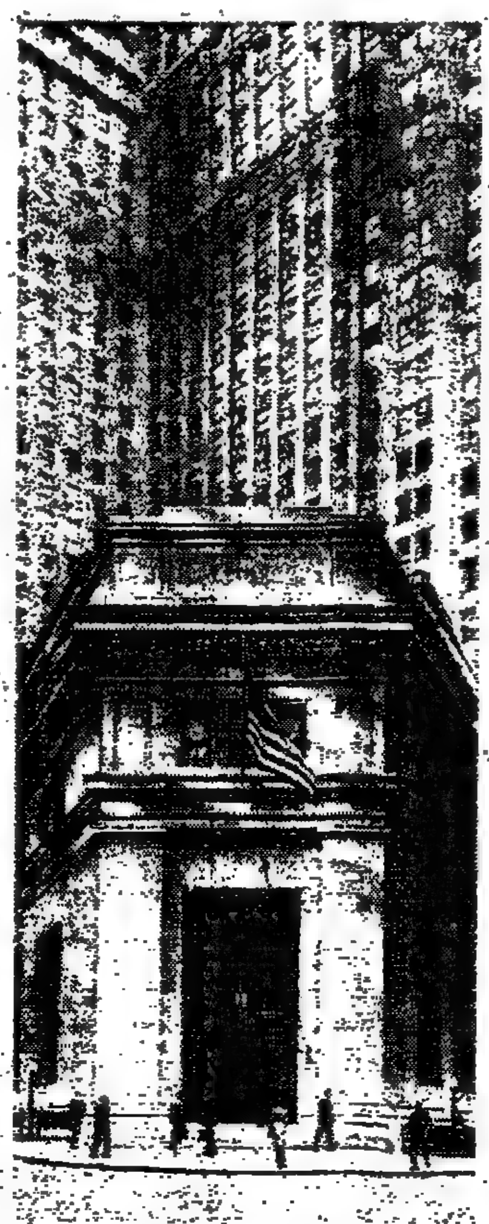

thinking of diversifying, we've just analysed in depth the furniture industry in the U.S., warehousing in Japan, and retailing in Great Britain.

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Morgan Guaranty - the corporate bank

Standard & Chartered level after provisions

AFTER PROVISIONS totalling some £16.7m., taxable profits of the Standard and Chartered Banking Group emerge marginally ahead from £69.79m. to £71.15m. for the year ended March 31, 1975.

The provisions comprise an additional £6m. against advances and an additional £10.7m. for pensions.

Providing for tax and minorities the net attributable balance, before extraordinary debits of £4.63m. (£13.75m.), emerges lower at £29.66m., against £32.42m. — equal to earnings of 49.3p (58.5p) per £1 share.

The dividend is raised by the maximum permitted—from 12.25p to 13.2945p net, with a final of 7.0445p.

Accounting policies adopted are consistent with those applied in previous years and include a charge for bad and doubtful debts made in arriving at trading profit which is based upon average experience for the current and four preceding years.

When the resultant provision differs from the amount considered adequate the shortfall or excess is charged or credited to profit and loss account as a special item, the directors explain.

Trading profits include those of The Hodge Group for the year ended February 28, 1975 and of The Chartered Bank and Standard Bank Sierra Leone for the year 1974.

Extraordinary items, which include certain items formerly dealt with in reserves, comprise: Excess of cost over the book values of net tangible assets of subsidiaries acquired during the year £4.44m. (£15.93m.); Net losses (profits) on sales of properties, subsidiaries and trade investments and sundry items. (£183,000 (£2.18m.).

● comment

The market did not know what to make of Standard and Chartered's preliminary figures yesterday—at one stage, the shares rose 15p, before closing a similar amount lower at 465p. But while the rate of profits growth certainly slowed down between the two halves of last year, the overall performance was still good going by banking standards for the period. The pre-tax gain was 26 per cent. before the special items: the provisions on advances cover several debts, rather than a particular one, while the pension provisions reflect a topping-up of a deficiency in its fund, on the same lines as similar provisions by other companies this year. Although no forecasts are being made about the current year, the company says that business has been affected by the economic downturn except in those countries cushioned by oil revenues — notably Nigeria which, together with South Africa, had a particularly good year in 1974-75. The main attraction of the shares, of course, is the big overseas earnings content rather than the yield of only 4.4 per cent.

Statement, Page 23

MOTHERCARE AHEAD

Sales of Mothercare showed a 22 per cent. increase in the first 12 weeks of the current year ending March 1976 compared with the same period last year, chairman Mr. Selim Zilkha told yesterday's annual meeting.

Peak £0.85m. by Weston Evans

AN ADVANCE in pre-tax profit from 0.79m. to a record £0.85m. for the year to March 31, 1975, is announced by Weston-Evans (Holdings), the engineering and packaging materials group, after £445,243 against £392,134 in the first half.

Stated earnings per 20p are up from 7.5p to 7.6p and the dividend total is up from an adjusted 2.2325p to 2.28155p net, with a final of 1.4608p.

The chairman, Mr. F. Crosland says that with order books at a lower level the outlook for the immediate future is "somewhat discouraging" and bears out his earlier warning.

Activity is still buoyant in the mechanical and pneumatic handling equipment and lifting gear divisions but demand in the other fields of activity is stagnant.

There are some signs of "slight improvement" in business in the U.S., partly due to the special efforts being made to extend markets, particularly, for the packaging forms produced by Brown Products Inc. "One is led to hope that the anticipated revival for the autumn is now under way," he adds.

Referring to 1974/75, Mr. Crosland says that the results could have been seriously affected but for the excellent order book at the beginning of the year. The mechanical and pneumatic handling and the lifting gear divisions have enjoyed full activity thereby vindicating the Board's policy of spreading its engineering activities over as wide a field as possible.

	1974-75 £	1973-74 £
Engineering sales	6,207,929	5,326,214
Packaging materials	2,234,974	2,020,242
Total group sales	8,442,903	7,346,456
Profit before tax	848,870	788,078
Tax	441,209	383,123
Profit after tax	407,661	405,950
To share premium acc.	—	30,123
Written-off goodwill	111,306	84,023
Dividends	122,720	121,153
Retained	173,633	170,650
Carried forward	1,299,988	1,125,465

Outlook at N. Brown Investments

AT THIS stage it is not possible to assess the effect of national economic influences on current year results, the chairman of N. Brown Investments, Mr. D. alliance, tells members. But he hopes that they will not be such as to mean a fall in profits.

The development costs of export business will also have an effect on profits, but to a lesser degree, he adds.

The group is not outside the many problems which business in general is facing in the U.K. but it is doing everything it can — consistent with customer service policy — to counter their effects.

The mail order catalogues have to be printed some months ahead of distribution and great problems in the pricing of goods are created by rampant inflation. That, to date, the group has always held to the quoted catalogue prices is "a matter of considerable satisfaction." The company hopes to be able to continue this policy in the future and the chairman reports that at least one third of the more "regular" lines in the forthcoming Autumn/Winter catalogue will be at the same or, in some cases, lower prices as in the last Autumn catalogue.

While most of the mail order companies in the group sell on credit, Halwins is a "cash with order" business. Particularly as a result of the recent history of high cost borrowing and high inflation, increased sales on this basis have been a priority matter for management, and Mr. Alliance records an increase in Halwins' sales of 50 per cent. over the previous year. On the other hand, credit sales were, as a matter of policy, restricted to 21 per cent. growth.

Last year the restrictive policy on credit sales had the desired effect of reducing net bank and similar borrowings by some £330,000. In addition £366,000 of loan stock in the parent company was paid off in accordance with the terms under which it was issued in 1969 and so was £230,000 of loan money in Halwins. Thus, net aggregate borrowings were reduced by £930,000 in the year—equivalent to a reduction of 14 per cent. on the opening figure.

As reported on June 20, taxable profit increased from £1.24m. to £1.3m. in the year to March 1, 1975. The dividend is 2.508p (2.095p) net.

Meeting, Manchester on July 22 at 12.30 p.m.

£127,000 loss at Patent Industrial

General engineers and manufacturers of chains and electrical products Patent Industrial Group incurred a loss before tax of £127,000 in 1974, compared with £23,000 in the previous year.

At half-way a loss of £52,000 stood against a profit of £22,000.

	1974 £000	1973 £000
Turnover*	2,381	2,082
Interest	125	89
Exceptional debit	132	16
Discontd. activities loss	77	122
Pre-tax loss	127	23
Tax	5	†11
Net loss	132	12
Extraordinary debits	§133	45
Transfer from defd. tax	96	—

*Including £881,000 (£709,000) discontinued activities. † Profit. ‡ Credit. § Including the costs of phasing out production of capacitators arising after December 31, 1974.

Sale of Birmingham Associated Chain Company which resulted in a profit of £45,000 and a reduction of borrowings by £214,000 has not been dealt with in 1975 accounts.

Rothmans down but pays 1.52p

TURNOVER (excluding VAT) of Rothmans International for the year to March 31, 1975 amounted to £1.02bn. and taxable profit was £21.41m. This compares with £686.25m. and £27.21m. for the previous nine months, with the profit figure at £37m. on an annualised basis.

After six months taxable profits were down from £19.2m. to £14.32m.

Basic earnings per 12½p share are given as 3.5p for the year compared with 6.2p, or, fully diluted as 3.8p against 4.4p.

Taking into account the prospect of a recovery in profits during the current year the directors recommend a final payment of 0.9798p net making a total of 1.5235p (1.1426p for nine months), costing £2.38m. (£1.79m.).

	Year 1974-75 £m.	Nine months 1973-74 £m.
Turnover (excl. VAT)	1,015.95	686.25
Trading profit	23.72	28.36
Share associates	5.50	5.38
Convert. Bond interest	9.81	6.73
Profit before tax	21.41	27.21
U.K. tax	2.26	3.11
Overseas tax	11.42	12.53
Net profit	7.73	11.57
Minority interests	2.28	1.77
Extra-ord. losses	0.23	—
Attributable	5.22	9.80

The amount provided for tax for 1974-75 and the increase in the comparative figure—restated from the last published accounts—are larger as a result of uncertainty as to how a technical provision in recent U.K. tax legislation affects the company.

It is hoped that this uncertainty will be resolved before the accounts for the year to March 31, 1975 are published.

In the meantime, the tax charge for both the accounting periods has been computed so as to provide in full for what would be the additional taxation burden in respect of such accounting periods if the uncertainty is resolved against the company.

If the uncertainty is resolved in favour of the company such taxation charge will be reduced by £906,000 for 1974-75, and £880,000 for the previous nine months, and consequential alterations will be made to the figures.

Sales of group products in volume were marginally above the level achieved during the previous 12 months, a lower sales volume in Europe being offset by higher export sales from the U.K. and from other sources and further advances in sales by associated companies.

Profits, particularly in Europe, were severely affected by the impact of inflation combined with the continuing difficulties in the face of price constraints of securing adequate and timely recoveries of cost increases.

See Lex

Leopold Joseph

During the year ended March 31, 1975 Leopold Joseph Holdings' policy in money market and loan operations was to maintain a high degree of liquidity and a very tight control on loans and advances, which are nearly all secured, states chairman Sir Hugh Weeks.

Over 60 per cent. of group assets were cash or "near cash," including inter-bank loans up to seven days. The total of loans and advances was less than twice the issued capital and reserves.

The chairman explains that the group did not, therefore, make higher profits from interest margins which, in this situation, could have been made by the "dangerous policy of borrowing short and lending long."

As reported June 24 disclosed net attributable profits of £468,170 for the year ended March 31, 1975 showed a small increase on the figure of £465,854 reported for 1973-74.

Sir Hugh says that due to a cautious secured lending policy, only minimal amounts had to be written off for bad or doubtful debts and these have been charged against profits before the allocation to inner reserves.

The inner reserve allocation was itself increased in line with the movement in disclosed profits.

At March 31 cash in hand etc. totalled £16.57m. (£23.22m.). Current liabilities appeared at £36.83m. (£64.9m.).

Bayerische Landesbank and Bremer Landesbank between them now hold 28 per cent.

Meeting, Brewers Hall, E.C., July 24 at noon.

Chairman's statement, Page 21

H. Samuel chief optimistic

PROVIDED TURNOVER continues to increase, the chairman of H. Samuel, Mr. G. H. Edgar, is optimistic that results for the full year will again be satisfactory.

Turnover so far this year is well ahead of that for the same period last year, members are told. Although some of this increase was due to post-budget spending before the increase in VAT on May 1, the underlying trend is strong.

From that date the tax is levied at 25 per cent. in jewellery, etc., which means that cash taken will have to be increased substantially to maintain tax exclusive turnover.

As reported on May 20, tax exclusive turnover rose from £26m. to £35m. in the year to February 1, 1975. Taxable profits advanced from £6.63m. to £7.56m., and the dividend is stepped up from 4.56p to 7.25p net. A one-for-two scrip issue is also proposed. The company is closed.

Mr. Alliance states that, it is something of a disincentive that the company is not allowed to improve profitability beyond the reference level, which is based on a period when conditions were very different and efforts and plans were made which are only now bearing fruit; nevertheless, "we are pleased that by reducing our gross profit margins we are making a contribution towards combating the country's major problem of inflation," he declares.

An internal valuation shows that on the basis of current use on the open market, group freehold and leasehold properties would show a surplus of at least £10m. over present book value.

During the year ten new branches were opened and during the current year this number is likely to be exceeded. Three branches were closed but were replaced by better units in the same towns.

Meeting, Birmingham on July 23 at noon.

Chairman's statement, Page 18

TPG early dividend recovery

Shareholders of Thomas Poole and Gladstone China were promised a scrip issue and an early "dividend recovery" by the chairman, Mr. Alan Bartlett, at yesterday's annual meeting.

Mr. Bartlett said these steps would follow the projected sale of quoted and unquoted investments to Newman Industries.

Referring to the reasons for the projected sale of TPG Investments Mr. Bartlett said Newman had the resources to develop the portfolio.

"By transferring our investments to Newman Industries we will retain a direct interest in those investments and will share in the future profits of the company's concern," he added.

He told the meeting that TPG had given an undertaking to the Stock Exchange to develop a "second arm" of the company. Discussions were now in progress to establish the vehicle for this new investment.

It was planned that the next major investment would be a company with sufficient resources and the ability to create a structure of associates which would be to the ultimate benefit of the TPG shareholders.

Encouragement for Lesney

The 7 percentage points devaluation in the value of the pound since he wrote his annual statement would have a favourable short-term effect on the international trading position of Lesney Products, Mr. Paul Tapscott, the chairman told yesterday's annual meeting.

While the way ahead remained uncertain the outlook was rather less murky than previously indicated, with sales in the first 16 weeks of the current year at a record and group profit currently showing an improvement. "I would hope, therefore, that shareholders will not be disappointed by the report for the first 24 weeks trading when it is released in October," said Mr. Tapscott.

GALAHA CEYLON

As from July 1, the Sri Lanka Government has taken over the three estates of Galaha Ceylon Tea Estates.

The sale price, which is subject to approval by the Sri Lanka Cabinet, has not been disclosed. Shareholders will be notified in due course when negotiations are complete.

B & C chief warns of bulk carrier lay-ups

IN HIS ANNUAL statement, Sir Nicholas Cayzer, chairman of the British and Commonwealth Shipping Company, confirms that group profits are holding up reasonably well, although it is still too early to assess the year's outcome.

As regards Britain's continued membership of the EEC he says that although this is no passport to prosperity, it may be an opportunity to consolidate a base for world-wide trading activity.

As reported June 20 group pre-tax profit at £19.19m. for the year 1974, compared with £13.98m., including profits of £3.08m. on contracts completed in earlier years.

Excluding those exceptional profits the balance of £16.11m. compares with the November, 1974, forecast of some £15.4m.

In a difficult year the shipping figures have improved, with an increased contribution from liner services and bulk carriers. However, in the latter activity, this uplift has been of short duration, for with a reduction in world trade, current fixtures are unprofitable and if maintained at these levels will lead inevitably to the corrective of lay-up, warns Sir Nicholas.

He tells members that much of senior management's time has been devoted to the progressing of the plan for the introduction of containerisation in the South African trade. A ship has been ordered by OCL and is expected to come into service in the latter part of 1977. After the initial teething troubles OCL has shown a capacity to make profit and, although the current year's results must be considerably down on 1974 the chairman believes that OCL will go forward and, taking one year with another, should show reasonable profits.

In reviewing the shipping scene, he feels that as a group B. and C. is reasonably well balanced. It has no tankers and only six bulk carriers. Essentially the remainder of the fleet is employed in the liner trades which historically although missing out in the peaks are more resilient to a fall off in demand than other sections of shipping, the chairman explains.

The chairman says that although the leisure activities showed an overall improvement, this has not been as large as I had expected.

For the current year, he reports that bookings for a much reduced inclusive tour programme are well ahead of last year, that the throughput of the travel offices is encouraging and that the hotel in Lanzarote is becoming increasingly popular.

At December 31 the group had deposits and bank balances totalling £31.47m. (£28.41m.), against which there were overdrafts and loans of £16.11m. (£10.39m.).

Year-end capital commitments amounted to £31.1m. (£48m.) of which £22m. (£33m.) was in respect of ships. Credit facilities of £21.5m. have been arranged in regard to ship commitments.

Meeting, Baltic Exchange, E.C., July 30 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims: Bakers Household Stores (Leeds), Bett Brothers, Gough Cooper, A. E. Jenks and Cattell, M. and G. Dual Trust.

Finals: A. D. International, Chubb and Son, English Card Clothing, Halma, Hicking Pentecost, Magnet Joinery, Mercury Securities, Renold, Selection Trust, Sutcliffe Speakman, R. Kelvin Watson.

FUTURE DATES

Interims:	
Liverpool Daily Post and Echo	Aug. 13
Sherman (Samuel)	July 7
Whatlings	July 11
FINALS:	
Avana	July 4
Bevan (D. F.)	July 3
Chesterfield Properties	July 4
Crown House	July 14
Denbyware	July 10
Emu Wine	July 3
Nolitor Estates	July 3
Richards of Sheffield	Aug. 14
Ropner	July 7
Smith (Stephen)	July 3
Sosomana	July 3
Southerns Evans	July 8

GEI on target so far

THE CURRENT year for GEI International has started with reasonably good order books and profits for April and May are on target, reports the chairman, Mr. Thomas Kenny, in his annual statement.

But he is uncertain of the outcome for the full year.

If subsequent months show a like trend, then results in relative terms would likely be at or near the top of the engineering sector, but this would be "too optimistic," he adds.

The company is "well possessed of the ingredients to obtain the best return available in terms of production and profit" and the chairman refers to his letter of June 20, accompanying the terms of the two-for-seven Rights issue, in which he says: "... the directors are confident that the profits for the year to March 31, 1976, will be satisfactory ..."

Mr. Kenny reports that GEI's ventures into Europe have been successful and the company will pursue a further expansion of investment in that area.

The monies from the rights issue, which will provide about £1.5m., will be used mainly to develop the product companies and to expand European interests. The expansion will be undertaken during the current recession and will enable the group to take advantage of any subsequent improvement in the trading climate.

As known, pre-tax profit expanded from £1.86m. to £2.3m. in 1974-75. Dividends are up from 2.86125p to 3.114p net.

Geographically, 6 per cent. of exports—worth £3m.—went to Africa; 8 per cent. to the Americas, 3 per cent. to Asia, 2 per cent. Australasia, 68 per cent. to Europe and 11 per cent. to the Middle East.

A statement of source and application of funds shows a net increase of £1.12m.

Meeting, The Dorchester, W., on July 23 at noon.

Chairman's statement, Page 21

Second half rise at Tex

A FURTHER advance in the second half of £39,205 to £159,335 leaves pre-tax profit of Tex Abrasives up from £205,498 to a record £340,292 for the year ended March 31, 1975.

Dividend total is up from 2.48475p to 2.70675p net, with a final of 2.05675p.

	1974-75 £	1973-74 £
Turnover	2,929,549	2,567,491
Depreciation	22,814	25,130
Pre-tax profit	340,292	205,498
Tax	178,402	105,826
Net profit	161,850	99,672
Adjustment for tax equalisation	—	8,550
Dividends	58,024	49,481
Retained	103,865	41,127

McMullen advance

Profit before tax attributable to McMullen and Sons, brewers, wine and spirit merchants and soft drinks manufacturers, advanced from £377,331 to £490,770 during the half year to March 29, 1975.

For the full year to September 30, 1974 pre-tax profit was a record £886,000.

The interim dividend is up from 0.95p to 1.25p net.

Eastern Produce hopeful

ALL THE overseas investments and earnings of Eastern Produce (Holdings) are increasing in sterling value due to the fall of the pound, the chairman Mr. O. R. Jessel tells members.

News from Angola is showing signs of improvement and the directors hope to report good figures for 1975.

In order to repair "the ravages of the recent investment crisis" further capital may be required at some stage, says Mr. Jessel. Meanwhile the group continues to trade at a satisfactory level of profitability.

As reported on June 25 taxable profits increased from £1.95m. to £2.49m. in 1974, but after higher tax and extraordinary debits of £3.94m. (£0.18m.), there was a deficit of £2.72m. (profit £0.94m.). There is no dividend.

The extraordinary debits include a provision of £2.23m. against the investment in Associated Fisheries to take account of current problems in the fishing industry and a write off of £1.02m. against investments in Jessel Securities.

Mr. Jessel reports that the group's plantation interests in Kenya, Malawi and Papau New Guinea again benefited from high commodity prices.

Tea prices have remained firm in 1975 and the directors expect the upward trend to continue.

Rubber is also showing signs of recovery and prices have recently exceeded 30p per kilo again for the first time in 1975.

Copra, after reaching a peak of $950 a ton in 1974, has fallen to $225. The directors are hopeful of a recovery shortly.

The Auditors say they are unable to determine the adequacy of the provision against the investment in Associated Fisheries, or of the value of £3.18m. now attributed to this investment in the balance sheet.

As at June 9, Jessel Securities held 37 per cent. of the capital.

Meeting, Winchester House, E.C., on July 30, at 3 p.m.

Zinc Alloy earns and pays more

After an advance from £55,098 to £82,447 at midway pre-tax profit of Zinc Alloy Rust-Profing Company expanded from £112,084 to £169,634 for the year to April 30, 1975 on turnover up from £736,653 to £1m.

Earnings per 5p share are stated at 0.99p (0.7p) and a final dividend of 0.4398p net raises the total from 0.375p to 0.6146p at a cost of £46,095 (£28,127).

After tax of £94,665 against £58,750 the net balance emerges £21,635 higher at £74,969. Last year there was an extraordinary debit of £18,300.

FPE GROUP

Food Containers, a subsidiary of FPE Group, has sold its take-away food division to Automatic Catering Supplies, a subsidiary of British Vending Industries, for £83,139.

Food Containers take away food division specialises in supplying Chinese and Indian take-away food shops and restaurants and wholesalers supplying to the same. Proceeds of the sale will be used by Food Containers to reduce bank borrowings.

S.W. support for private companies

By David Bell

SLATER WALKER has formed a new subsidiary with an initial capital of £1m. to provide medium term finance for private companies in return for equity participation.

Mr. P. S. Berry, managing director of the new company which is to be called Slater Walker Developments, said Slater Walker is seeking to fill the gap between the capital market finance available to public companies and the short term bank finance on which many private companies now have to rely.

Slater Walker intends to make more cash available for the new company if there is sufficient demand for its funds. Mr. Berry said that he had already been in touch with a number of private companies which had expressed great interest in the scheme.

Slater Walker Developments does not intend to offer "venture capital" for new businesses, but rather to concentrate on existing companies with proven management which need extra funds. The new company will work in close conjunction with Slater Walker Management and Advisory Services which provides management advice to industry.

MINING NEWS

Canadian miners' tax verdicts

BY LESLIE PARKER, MINING EDITOR

THE CANADIAN mining industry has now had over a week to consider the new taxation measures introduced in the country's Federal Budget. The general verdict is that it is what one commentator summed up as a laughable attempt to stimulate the search for new mineral finds which the Governments, both Federal and Provincial, have recently been doing their utmost to discourage.

This has been especially so in British Columbia where expenditures on hard-rock mineral exploration in 1975 looks like dropping some 60 per cent. below that for 1972. As the Chamber of Mines manager has pointed out, people only benefit from mineral resources if they are explored and developed. Otherwise such resources are worthless.

The Federal Government's latest method of solving this problem is actually to increase mining taxation and then to reduce it by an allowance for exploration expenditure. So those who do not explore pay more. This is regarded as being all very well but it is hardly the kind of move which is likely to stimulate the provision of the necessary risk capital by shareholders. And it will certainly not encourage the prospecting companies as such which have no productive income.

Nor does it do anything to solve the knotty problem posed by the absence of any co-ordination between the Federal and Provincial authorities in their scramble for slices of the mining cake without taking into account the fact that they may be only leaving crumbs for the producers themselves and for the vital rewards without which the capital providers will simply not be there when any new ventures come along.

Only the Federal Minister of Finance, Mr. John Turner, seemed to be hopeful in this respect when he said that "provinces with their own corporate tax systems which now provide that royalties and/or mining taxes are not to be deductible will no doubt wish to take these new Federal proposals into account."

Canada's Mining Association reckons that, if the provinces respond to the Minister's initiative with more rational tax structures of their own, there could be a chance for mining to revive as a "dynamic factor in the Canadian economy."

URANIUM MINE BEATS SCHEDULE

Uranium production at Consolidated Canadian Faraday's 49 per cent. owned Madawaska Mines in Ontario will start in August, 1976, and not at the end of that year as previously stated, the president, Mr. W. C. Campbell, told shareholders at the annual meeting in Toronto.

Earlier this year, Madawaska received approval from the Canadian Atomic Energy Commission for a contract to sell around 1m. pounds of uranium oxide a year to an agency of the Italian Government. The contract runs until 1985.

The remaining 51 per cent. of Madawaska, which produced 5.8m. pounds of uranium oxide between April, 1957, and June, 1964, is owned by Federal Resources Corporation of the U.S. which is responsible for putting up the finance needed to bring the mine back into production.

AZCON ENTERS DIVIDEND LIST

A return to the dividend list is announced by the American steel distributing company Azcon, which is 85 per cent. owned by Consolidated Gold Fields. The directors have decided to resume quarterly payments and accordingly have declared a dividend of 15 cents (6.8p) in respect of the last quarter of the year to June, 1975.

Azcon, which until 1972 was the American Zinc Company, last paid a dividend of 10 cents in respect of the first quarter of 1967-68 which went against a total of 90 cents for the year to June, 1967.

No doubt the directors' decision rests upon the company's improved performance in the year to June, 1975, when profits for the nine months to March of $16.59m. compared with $11.66m. at the same time a year ago. The full 1974-75 figures are expected some time next month.

VULTAN'S GAS HOPES

It has been announced in Perth by Australia's Vultan Minerals and the Ferrovanadium Corporation, both major shareholders in Unigas Oil Corporation of Colorado, that the last-named has acquired a one-sixteenth working interest in a natural gas drilling programme in the Texas-Oklahoma Anadarko basin.

Twelve wells are planned at a cost of approximately $1.7m. (£0.77m.) with the first two in the Oklahoma panhandle 125 miles north-east of Amarillo. The first in Beaver County, Oklahoma, has been logged and the casing run to the Chester formation at around 7,850 feet. Three gas zones have their potential to be tested. A second well has been spudded. Vultan were unchanged yesterday at 18p.

ROUND-UP

A second quarterly dividend of 40 cents (17.7p) is declared by the Anglo American Corporation group's Canadian offshoot Hudson Bay Mining. This brings the total for the six months to 80 cents, the same as for the similar period of 1974 when dividends totalling $1.60 were paid. The company carries out base-metal and potash mining operations and has oil and gas interests.

The continuation of export controls until September 30 by the International Tin Council "could not be but adverse" to profits in the current year, says Mr. J. N. Savory in his statement to shareholders in the annual Idris Tin report. Production for the first five months of 1975 comes out at 172 tonnes compared with 159 tonnes in the same period of the previous year. The average tin price for 1974 was $M1,136 per picul compared with $925 now. Idris were unchanged at 46p yesterday.

Australia's Kia Ora Gold and Uranium and Nickel Exploration companies announce that gold production has started at Marvel Loch in Western Australia. They also report the discovery of two new orebodies in the mine in which Kia Ora's interest is 60 per cent. and that of Uranium and Nickel 40 per cent.

BIDS AND DEALS

Further moves in battle over Sheffield Twist

BY DAVID BELL

A statement is expected from SKF to-day following the publication of Thorn's formal offer document in the continuing battle for control of Sheffield Twist Drill and Steel.

As expected, Thorn is bidding 91p for each share in STDS in which it now has a 14.13 stake. The bidding was opened in May when SKF announced a 77½p a share bid for STDS, the major British high speed cutting tool producer, which was backed by the STDS Board.

In its document Thorn says that the existing factories of Clarksons (its own cutting-tool subsidiary) and STDS will continue in operation "and there will be no redundancies within the STDS group as a result of the offer becoming unconditional." Thorn also promises to honour existing pension rights if its bid is accepted.

Last week it became clear that SKF, which has already sent out its offer document, was waiting to see what guarantees Thorn would make about employment before deciding its next move. SKF has never made an employee in the U.K. redundant.

In its document Thorn says that the products of Thorn and Clarksons largely complement each other and that STD's steel making facility would be expanded to meet Clarkson's extra requirement. The co-ordination of the two companies' production would mean that "the economics of longer production runs would be realised."

"This grouping utilising its existing market outlets and Thorn's financial resources would be able to compete more effectively with overseas manufacturers and would strengthen greatly the competitive sector of British industry, both in Europe and the rest of the world. As a major customer of the products of both Clarksons and STDS, Thorn recognises the strategic importance of these products to a wide range of British industry," the document says.

The closing date for the Thorn offer is July 22 and revocation forms are being sent out with the document to enable shareholders who have already accepted the SKF offer to revoke their acceptance if in due course they should wish to do so.

Acquisition of Sheffield Twist will make either Thorn or SKF Europe's largest manufacturer of high-speed cutting tools and bring either of them within sight to overtaking the two U.S. market leaders.

ARGYLE DUTCH REORGANISATION

Argyle Securities, which in February reported a first half pre-tax loss of £450,000, is planning to reorganise its interests in Holland and has entered into a conditional agreement to dispose of its 24.9 per cent. holding in Wereldhave.

At the same time Anglo-Continental Investment and Finance (a substantial shareholder in Argyle) and associates of its parent General Occidentale have agreed to dispose for cash of a further 12 per cent. of the Wereldhave capital. All of the Wereldhave shares will be taken up by approximately 30 Dutch investors.

The result of this deal will be that Argyle will exchange its holding of Wereldhave shares for capital of Wereldhave's subsidiary, Wereldstad, whose assets consist of commercial property in the Netherlands and cash. It is anticipated that the net assets and earnings of Argyle will not be significantly affected.

LEX SERVICE

Lex Service Group and its wholly owned subsidiary, Harvey Plant Hire, have agreed to the sale of certain premises and other assets (mainly general contractor's hire plant) at the Newton Abbot Depot to Mechanical Plant Services, a company controlled by Mr. P. J. Thompson, a former director of Harvey Plant Hire.

Cash consideration is £192,500 which is approximately equal to the book value of the assets being disposed of. Profit before tax for 1974 attributable to the assets concerned was £29,000.

The divestment is part of the final stage of implementing the Harvey Plant group's strategy of withdrawing from the general contractor's plant hire business to enable it to concentrate on the long-term leasing and short-term rental of forklift trucks and the hire of cranes and generators.

PENTOS-WBG

Pentos has received acceptances for 869,501 shares in Wright, Bindley and Gell, which together with 43,331 shares acquired during the Offer period and the 695,731 owned prior to the offer being made, represent a total of 96.1 per cent. of the capital of WBG. The share offer remains open.

It has also received acceptances in respect of £90,308 nominal of loan stock representing 72.8 per cent. of the total issue. The loan stock offer also remains open.

GILGATE SALE

Gilgate Holdings has agreed the sale of one of its property investment subsidiaries, Leicester and Stafford Properties, for £125,000 cash. Proceeds will be applied as additional working capital and to generally improve liquidity.

The consideration closely represents the net asset value of Leicester and Stafford Properties. Its profit before tax for the year to June 30, 1974 was £8,758.

Haw Par plan faces revision

BY MARGARET REID

The £25m. plan for Haw Par Brothers International to link with the Malaysian Government-controlled Pernas Securities may have to be revised following a statement by Pernas' chairman that he cannot comply with a Singapore ruling calling for a full bid by his company for Ha wPar.

Meanwhile, one of the top merchant bankers called into advise Haw Par on problems arising from the proposed transaction is now on his way to Singapore to discuss the matter with the Haw Par Board.

He is Mr. Geoffrey Williams, vice-chairman of J. Henry Schroder Wagg which, with Baring Brothers, is helping Haw Par grapple with the complexities of take-over situations in which it is involved in London and the East.

Under the proposed transaction, Pernas Securities, plans to take a near-40 per cent. stake in the enlarged Haw Par, in exchange for securities including some 20 per cent. of London Tin. Since this would raise Haw Par's holding in London Tin from just under 30 per cent. to 51 per cent., the City Take-over Panel has insisted on a full bid for London Tin, a £20m. operation Haw Par at present lacks the resources to mount.

Uncertainty about the complex of deals was increased yesterday when Tengku Razaleigh, chairman of Pernas, said his company would not make a general bid for Haw Par. He was also reported as saying that he was not interested in Haw Par, but in London Tin, though he added that a direct Pernas bid for London Tin was unlikely.

Tengku Razaleigh also said he expected an announcement in London some time next week on a second deal linking Pernas wit ha U.K.-based company with major interests in the Malaysian plantations sector.

Indications last night were that, in the light of the problems which have arisen in the East, the pattern of the Haw Par-Pernas link may now have to be reconsidered.

From Kuala Lumpur, Mr. Ian Tamblyn, deputy managing director of Haw Par, said: "The fact that the Securities Industry Council has made a ruling Pernas does not feel able to comply with does not mean the concept of a partnership deal between Haw Par and Pernas is dead, but some altered formula may have to be found."

Pending further developments in the Haw Par bid position vis-à-vis London Tin, the world's largest tin company, it seems likely that, as an intermediate stage, the Board links of its two large shareholders, Haw Par and Pernas, with it will be strengthened.

Meanwhile, Mr. Williams is thought to be taking to Singapore a report reviewing four alternative ways in which—with backing from institutional investors — the City Take-over Panel's requirements for protection of the London Tin minority shareholders might be met.

SHARE STAKES

Neepsen now holds 2.37m. shares in Raine Engineering Industries (29.50 per cent.).

Sheerwood Trust, a subsidiary of Central and Sheerwood Trust, has acquired a further 41,611 Ordinary shares in Robert Stockfis (Manchester) making the total holding up to 375,529 shares (58.62 per cent.).

Year of change ahead for 'Landsits'

LORD SAMUEL, chairman of Land Securities Investment Trust tells members that the current year will be one of consolidation but there will be an increase of some £2.5m. in rental income following the lifting of the rent freeze.

The group intends to concentrate on the revitalisation of properties held for development, but for which no firm plans have been made, as opposed to entering major redevelopment projects.

The full effect of this decision although apparent in the reduction in group capital commitments—from £162.7m. to £60.89m. at March 31, 1975—was not reflected in the accounts. At the present programmed rate of construction the chairman feels that a considerable change will be evident by the end of the current year on the re-classification of projects.

The nature of the present programme is such that the rentals to be attained on completion of developments and revitalisation works should satisfactorily increase the group's revenue earning capacity.

On the subject of finance the chairman says it is planned in the main to meet the cost of the development programme from the sale of selective investment properties. Sales in respect of which terms have been agreed since April 1 amount to £80m.

As reported June 18, with the property revaluation, net available income increased from £8.08m. to £9.43m. in the year ended March 31, 1975.

The revaluation threw up a figure of £805.1m.—which represents a fall of £256.38m. in book value. An analysis of the total shows: shops and offices London (West End) £289.18m.; shops and offices London (City) £346.27m.; other U.K. areas £235m.; and industrial properties £24.64m.

Meeting Devonshire House W., July 24, at noon.

● comment

Land Securities evidently takes a different view from English Property on the financing of developments in the U.K. Unlike EPC with its rights issue on Monday, Land Securities plans to raise the necessary money by selling investment properties — terms have already been agreed on the sale of £80m.-worth of property, which will come in the current year's accounts. This should cover the bulk of current capital commitments, which fell from £162.7m. to £60.89m. during 1974-1975. The completion of most of this programme and the switch to shorter duration "revitalisation" operations should help the P. and L. account—already benefiting from lower interest rates and a £2.5m. rise in rental income in 1975-76 after the end of the freeze. Moreover, the group believes that the value of development properties will, on completion, exceed cost even after taking account of the capitalisation of development outgoings. All this should help the shares which, anyway, jumped 21p to 177p last night—apparently mainly on relief that no new rent controls have been introduced.

CAPE INDUSTRIES

Cape Industries, following its announcement in December of the purchase with effect from January 26, 1975 of the insulation contracting business of Turner and Newall's subsidiary, Newalls Insulation Company, yesterday reported that the consideration, based on a valuation of the assets acquired, has been agreed at £651,583.

In accordance with the purchase agreement this has been satisfied by the allotment to T and N of 1.63m. Cape shares. These have been sold by T and N to Charter Consolidated at 40p per share. As a result of which Charter's stake in Cape Industries has increased from 63.2 per cent. to 66.3 per cent.

Stonehill sees profit increase

MR. P. STEINBERG, chairman of Stonehill Holdings, says in his annual statement that sales for the first 12 weeks of the current year are well in excess of last year and the company's order book remains at a high level.

Sophisticated machinery is making a considerable contribution towards keeping prices competitive and has given the company additional facilities to cope with the higher turnover the directors expect this year. "Provided we are not hampered by further Government legislation and other adverse factors, an increased profit can be achieved," he adds.

The company has set up an export sales organisation and is "energetically" pursuing business overseas where the directors feel there may be great opportunities.

Cash balances improved from £174,593 to £428,032 this year.

As reported on May 17 taxable profit fell from £822,527 to £777,000 for the year to March 31, 1975. The dividend is lifted from 7.9p to 8p net and a one-for-two scrip issue is proposed.

Meeting, Abercorn Rooms, E.C., on July 24 at 11.30 a.m.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or –	Div. £ or Amount	Times covered	Gross Yield	P/E Ratio
♦	F.P.	—	172	158	Akroyd & Smithers	158	–7	—	—	—	—
48	F.P.	11/7	56	48	Clive Discount (20p)	51	+5	15	—	9.8	—
♦	F.P.	—	£221¼	£171½	Cont.Can. Inc. $US1	£185¼	–⅞	$1.6	—	4.4	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or –
£100	F.P.	—	100	98⅝	Agricultural Mortgage 11% 19[illegible]	100	......
‡£100	£25	11/6	40½	39	Allied Irish 10% Conv. Uns 1985	40	–1
$100	F.P.	—	£100	£99½	Barclays Bank Int. 9½% Capital Notes 1983	£99½	......
£97½	£10	—	10	9⅝	City of Westminster 13% Red. St. 1981	9⅝	–⅛
£100	F.P.	11/7	102	101	Colne Valley Water 9% Red. Prf. 1980	101	......
‡£100	£10	—	11¼	11¼	East Surrey Water 9% Red. Pref. 1980	11	......
£100	F.P.	—	£105	£102½	EuntaFinance(U.K.)8%CnvGtdUnsLn.85-90	£103¾	+1
£100¾	F.P.	31/7	112	100½	Folkestone Dist Water 9% Red Prf. 1980	100½	......
‡£100	F.P.	6/6	132	115	Gestetner 10% Com. Uns. '90/95	115	......
$98	F.P	—	$98½	$97½	Granges 9¾% Bonds 1985	$98	......
£99	F.P	3/5	103¼	97	Lincoln Corp. 13% 1980	97xd	–5½
††£99	F.P	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	101¼xd	......
"	F.P	23/5	106½	101½	Mid-Southern Water 10% Prf. 1980	101½xd	......
$100	F.P.	—	$102½	$100½	Norsk Hydro 9¾% Bds. 1985	$102¼	......
£100	F.P	1/5	125	105	N. Atlantic Secs. 4% Cnv. 95-96	110	......
£100¾	F.P.	31/7	112¼	100½	N. Surrey Water 9% Red Prf. 1980	100½	......
**£100	Nil	—	5	4	Prop. Hldgs. & Inv. 9% Conv. '90/5	6pm	......
††£97	F.P.	—	105¼	10[illegible]	Rickmansworth & Uxbridge 10% Prf. 1980	104	......
£99½	£45	1/8	46¼	43¼	Southend-on-Sea 12¼% 1981	43¼	–¼
£99	F.P.	11/4	[illegible]	[illegible]	S. Staffs. Water 10% Prf. 1980	101¼xd	......
"	F.P	18/4	10[illegible]	101	Sutton District Water 10% Prf. 1980	101½	......
£99¼	F.P.	11/7	99¼	88¾	Warwickshire 12½% Red. Stk. 1980	98	–1
£1	F.P.	24/6	110p	98p	Waterford Glass 10% Conv. Cum. Red. Pref.	99	......
—	F.P.	14/2	90	60	Worth (Bond) 12% Conv. Uns	80	–2
‡£100	£50	2/10	97	67	Yorks Chems. 12½% Conv. Uns	76	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date 1	Latest Renunc. Date 2	Stock	Closing Price p	+ or –
43	F.P.	20/6	8/8	Associated Engineering	49½	+2½
25	Nil	7/7	21/8	Barrow Hepburn	8pm	......
85p	F.P.	2/7	1/8	Bell (A.)	91	–2
46	Nil	7/7	10/9	Boc Intl.	¼pm	+¼
£100	Nil	—	—	Borel (Jacques)	24½pm	......
115	Nil	—	—	Bowater	22pm	......
40	Nil	3/7	8/8	Carless Capel	20pm	......
30	Nil	—	—	Century Oils	6pm	......
A$1.50	Nil	2/7	7/8	Commercial Bank of Australia	90pm	+5
45	F.P.	26/6	25/7	Duport	44	+½
25	F.P.	13/6	11/7	Elliott Grp. (of Peterboro)	31	+2
65	Nil	4/7	—	Ever Ready	5pm	+4
38	Nil	—	—	GEI Int.	2½pm	+1
200	Nil	4/7	7/8	Glaxo	138pm	+28
17	Nil	4/7	17/7	Gordon Johnson-Stevens	1½pm	......
62	F.P.	16/5	11/7	Hawkins & Tipson	62	+1
25	Nil	—	—	Hazlewoods (Proprietary)	½pm	......
35p	F.P.	24/6	18/7	Heltair	46	+5
20	Nil	—	—	Kwahu	1½pm	......
28	Nil	—	—	Leboff (Fobel)	7pm	+1
50	Nil	—	—	London United Invs.	11pm	+1
40	F.P.	13/6	11/7	Macarthys Pharm.	49	+1
100	F.P.	11/6	11/7	Marshalls Universal	103	+1
10p	Nil	2/7	8/8	NSS Newsagents	29pm	+2
60	Nil	9/7	8/8	Nurdin Peacock	15pm	+2
105p	Nil	—	—	Pegler Hattersley	7pm	......
180	Nil	—	—	Phoenix Assurance	10pm	+5
5p	Nil	—	—	Premier Cons. Oilfields	3½pm	......
105	F.P.	19/6	17/7	Prudential Ass.	122	+10
47	F.P.	4/6	16/7	Richard & Wallington	60	......
20	Nil	4/7	8/8	Root Harvesters	4½pm	......
27½	Nil	10/7	21/8	Serck	1pm	......
500p	F.P.	—	—	Siebens Oil & Gas UK	600	+60
55	Nil	—	—	U.K. Optical	10pm	+4
50p	Nil	—	—	Unicorn	1½pm	......
75	F.P.	20/6	18/7	United Biscuits	93	+5

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 200 S.Afr cents. ‡ Rights by way of capitalisation. †† Tender allotment price ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

Volvo BM and Poclain agree joint marketing venture

BY WILLIAM DULLFORCE

STOCKHOLM, July 1.

VOLVO BM, the farming, earth-moving and forestry equipment subsidiary of Volvo, has reached agreement with Poclain, the French manufacturer of hydraulic excavators and mobile cranes, for the joint marketing of their products, with the exception of farm machinery. Announcing the agreement here to-day, Volvo BM managing-director Lars Christian Eriksson, said it was intended to meet competition from the U.S. companies which dominated in the field. The two companies had a combined turnover of roughly £340m. in 1974.

Poclain will distribute Volvo BM products in France, while Volvo BM takes over Poclain's Swedish subsidiary and the marketing of the French company's products in Sweden, where it had sales of Kr.50m. (£5.7m.) last year. In addition Poclain's West German subsidiary, Deutsche Poclain, will market Volvo BM products in West Germany and a new subsidiary is to be formed in Austria, in which Volvo will hold the majority.

In a joint statement the two managing directors said their companies' programmes were complementary in the construction and forestry equipment fields and were geared to the same applications.

Volvo BM is a leading manufacturer of wheel-loaders, articulated dumpers and forestry machines, in addition to tractors and combine harvesters, which are not covered by the new agreement. Last year, according to the 1974 annual report, it increased sales by 40 per cent. to Kr.1.2bn. (£140m.), of which earth-moving equipment accounted for Kr.798m. (£91m.), and forestry machines for Kr.161m. (£19m.).

Poclain is the world's leading manufacturer of hydraulic excavators, its product range comprising 32 different models, including 20 types of hydraulic excavators on tracks and wheels and a range of 12 mobile cranes. In 1974 its companies had a turnover of just over Fr.1.8bn.

Lamborghini seeks cash support

MODENA, July 1.

THE LAMBORGHINI car company to-day put half of its 300-strong labour force on short-time working and said that it is seeking financial support from local and national Government sources.

The Swiss-owned company made the announcement in a letter to trade union officials at the factory at Sant'agata Bolognese near here.

The letter pointed out that, because of the effects of the energy crisis on the luxury car market, Lamborghini is currently turning out less than half its capacity of 600 to 650 cars a year.

Reuter

Norddeutsche Rollei losses

BY JONATHAN CARR

BONN, July 1.

THE NORDDEUTSCHE Landesbank Girozentrale (NLB), the regional clearing bank of Lower Saxony, has revealed the extent of its losses last year through involvement in the troubled Rollei Camera company. Further, while the company has adopted a new strategy which appears to put it on a sounder footing, the problems for the bank from the Rollei engagement are hardly over yet.

NLB, together with the Hessische Landesbank, a major Rollei shareholder, said that its expenditure in 1974 in connection with the company totalled DM340m. of which DM270m. had been completely lost.

A further loss of this magnitude for 1975 is ruled out by the bank—but the company itself is still expected to be in the red not only this year but in 1976 too.

Overall the NLB saw its balance sheet total rise last year by 16.7 per cent. to almost DM29bn., and its profit from DM60m. to DM100m. In February it was revealed that Rollei's losses were likely to be around DM85m., bolstered by a further deficit of DM30m. carried over from 1974—on annual turnover in the region of DM200m. This information was accompanied by the announcement that camera prices were to be put up at once and that Rollei would no longer involve itself in products at the bottom end of the price range. Further, the number of people employed at the main Rollei works at Brunswick and at the company's plant in Singapore was to be substantially reduced by October.

All this appeared to mark the end of a highly ambitious attempt by Rollei to move into the international camera business, in particular through the establishment of its operation in Singapore, where wage costs were substantially lower than at home.

Korf-Stahl moves into the red

BY JONATHAN CARR

BONN, July 1.

THE KORF group has joined the ranks of those currently operating in the steel sector in West Germany at a loss. None the less, it remains relatively optimistic about its prospects, noting that it has comparatively small production plants and can adapt itself more easily to market change than some of the "giants."

Korf-Stahl, the predominantly steel-making arm of the Korf group, increased turnover in the first half of 1975 against the same period last year by some DM15m. to DM345m. The extent of the current loss was not revealed. Last year the whole group, which has engineering, design and trading interests as well as steel, saw its turnover rise by 38 per cent. to DM705.8m. and its earnings increase from DM6.2m. to DM49.5m.

Stauffer's Belgian project

BY RAY DAFTER

STAUFFER CHEMICAL Company of the U.S. has chosen Belgium as the site for a major European production complex.

The company is to build a herbicide plant, probably costing over $30m., at Charleroi. The plant, due on stream in late 1976, is one of the largest of its type in the world and represents one of the biggest items of investment by Stauffer outside the U.S.

Mr. Roy Sambrook, vice-president and general manager of the Europe Division, said in London yesterday that other plants might be built on the 400-acre site although the development did not preclude the possibility of capital investment in other European countries.

It is possible, for instance, that the U.K. may be chosen as a site for a multi-million pound food ingredients project. While no specific plant is under consideration, the company is studying developments in the important food additives market.

Mr. Sambrook said that Belgium had been chosen as the major manufacturing site for a number of reasons. These included: availability of labour; productivity; Governmental welcome; and rates of taxation.

He said that all but a small amount of the capital would be raised in Belgium, much of it through medium- and long-term bank loans.

Output of the plant, he said, would satisfy demand for crop protection products throughout East and West Europe, Africa and the Middle East (the area covered by the European division) for several years to come. Products are currently imported from the U.S.

Stauffer has four main areas of activity: agricultural products, food ingredients, speciality chemicals such as flame retardents and catalysts and special PVC plastics. As a result of this policy at least 50 per cent. of the company's business is reckoned to be outside the scope of cyclical influences which bedevil much of the chemical industry. By 1979 it is intended that 57 per cent. of the business will relate to agriculture and food, away from cyclical trends.

As a result of this policy the company is expecting an improvement in earnings this year, contrary to the general trend in the industry. Last year the company had net earnings of $77.7m. on sales of $859m. as against $46.4m. on $621m. in 1973. Earnings have increased some 300 per cent. since 1970 reflecting tighter management control and a more positive outlook to international expansion.

IBM data process products price cut

By Guy de Jonquieres

NEW YORK, July 1

INTERNATIONAL BUSINESS Machines announced to-day that it is cutting the purchase prices for a broad range of data-processing products in the U.S. and eight European countries. IBM products sold in Britain and West Germany will not be affected, however.

The company also unveiled a new data entry terminal, designed to reduce the cost of data entry operations, and introduced improved versions of its IBM 3767 communication terminal and 3770 data communication system, together with two new computer programmes which increase the flexibility of data communications.

Full details of the price changes and the products concerned were not immediately available, but an IBM spokesman said that there were variations from country to country and the reductions in Europe were in some cases deeper than in the U.S.

In the U.S., IBM is lowering by 15 per cent. the purchase price for its System 370 Model 115 and Model 125 central processing units and for a number of terminal and communications products. The prices for a range of magnetic tape and disc storage units, Printers and optical recognition devices are being cut by ten per cent.

This is the first time that IBM has overtly reduced the purchase price for its System 370 computers and related equipment in the U.S. since they were introduced, though maintenance charges for the 370 were lowered by 15 per cent. in 1971.

In the past, IBM has sometimes announced price reductions on its products shortly before phasing them out. This does not seem to be the intention this time however, because such a wide variety of products is involved and because at least one of them, the Model 115, was introduced less than two and a half years ago.

No reason was given for the pricing changes, but they appear to be designed to stimulate purchases of IBM equipment. During the first quarter of this year—the latest period for which information is available — the company said that the ratio of computer sales to leases deteriorated, largely as a result of poor economic conditions.

The European countries affected by to-day's decision are Austria, Belgium, Denmark, Finland, France, Italy, the Netherlands and Switzerland. High domestic rates of inflation and the fall in the value of sterling presumably decided IBM against cutting its prices in the U.K.

French cash flow problems

PARIS, July 1.

FRENCH INDUSTRIALISTS still have serious cash flow troubles, although these are not as bad as at the beginning of the year, the National Statistical Institute stated in a survey.

Now the decline in activity is seen as the principal cause of the cash problem, whereas up till now higher operating costs have been blamed.

The survey said the continuing deterioration in business has forced many firms to ask for extended credit while about half the companies taking part in the survey have had to postpone orders or deliveries.

ALCAN ALUMINIUM

Waiting on the metal price

BY ROBERT GIBBENS, MONTREAL CORRESPONDENT

ALCAN ALUMINIUM, probably the most international of the major aluminium companies, is actively negotiating to line up partners for a major Irish alumina project, leads a bauxite consortium in Brazil which may integrate forwards into alumina in co-operation with the Japanese, is providing technology for a major Spanish alumina plant, and is bidding to build a smelter for oil-rich Nigeria.

Alcan has received more than $60m. cash for half its share in ASV of Norway, and Mr. Paul H. Leman, president, is confident that the worst of the deep recession in aluminium demand is over. A lot of metal has been moving at below the 39 cents (U.S.) North American producer price, but "a good resistance level" is being shown around 34 cents, he says. "There has been a change in the climate and we have been getting inquiries for metal for delivery in 1976," Mr. Leman said in an interview. "In February, say, no one was even asking for any quotations."

The price of the ingot metal is vital to Alcan, not only because of its world wide expansion in raw materials and alumina but also because of pressure building up (particularly in Quebec) for modernising and refurbishing its Canadian smelting system. The Arvida smelter, about 100 miles north of Quebec City, with 454,000 tons annual capacity, Ile Maligne with 105,000 tons, Shawinigan 95,000 tons, and Beauharnois, near Montreal 51,000 tons, gives Alcan a total smelting capacity in Quebec of 705,000 tons, the largest single chunk of the company's ingot output. Arvida itself is still the largest single smelter in the non-Communist world. But it is old, having been built up during World War Two.

The company first disclosed long-term plans for modernising the Canadian smelting system about 18 months ago, starting with the Quebec smelters. A total figure of well over $500m. (in 1973-74 prices) would be required over nearly a decade to complete the job.

The total cost has certainly escalated substantially since, and Alcan says, it cannot start with the ingot price at present levels.

"Most of the inventory liquidation process is over," Mr. Leman said. "There are signs of a strong upturn in the North American housing market, though it is still anyone's guess when the motor industry will improve. But it is a fact that aluminium prices, with many other primary commodities, must go up. We cannot earn a decent return with a new smelter to-day with anything less than 50 cents a pound metal in 1975 dollars, and probably 55 cents in 1978 dollars when it is coming into production.

"Maybe construction costs could come down a bit, and there are productivity gains from putting in modernised potlines. And we've made studies, for instance, which show we could build the same thing in some areas of the U.S. to-day at a cost 25 per cent. less than in Quebec. It is serious for Quebec and Canada. Construction labour productivity in Ontario now is running 35 per cent. below what it should be."

Pressures

If there is pressure on the company to modernise the Arvida smelter, where does it come from? Mr. Leman agrees that there is pressure on two counts from the Quebec Government. One has to do with its wish to bring about a higher level of semi-fabricating and fabricating in Quebec, and the other is modernising Arvida. The pressure comes in several forms, not least the Government's plan to set up its own smelter near Quebec City and sell hot metal to satellite plants owned by major product companies—including one U.S. can-maker.

Mr. Leman says one of the Government's objectives is to create a new ingot facility which would have a very high level of fabrication within the province. "This is an objective I cannot criticise as such. But the level of fabrication in Quebec is already higher than the Government thinks.

Mr. Leman said that Alcan still has a major programme to modernise the Canadian smelters, starting in Quebec, and "we'd like to get on with the job as fast as possible. At the moment, we do not have the funds. The capital markets are not advantageous now. The state of the industry worldwide is hardly favourable for a major investment programme of this kind."

Mr. Leman said that major technological advances in smelting make possible an energy saving of around 25 per cent. per smelter unit of output, "and in refurbishing our Canadian smelter system, we would be going for that. Also new larger pots don't take any more labour to-day than the smaller ones of a smelter dating back 20 or 25 years. The productivity gain is significant. We want to achieve not only energy savings and higher productivity, but also much better working and environmental conditions."

Alcan can get a modest increase from modernisation at Kitimat, in northern British Columbia, and a large increment from the Kemano power facility. However, the company would go ahead only if the Japanese wanted more metal on a long-term basis. "We might tackle Kitimat some time . . . but not to-morrow."

Mr. Leman agreed that Alcan has been looking carefully at possible smelting sites in the southeast U.S. and "the idea of using hot metal for certain of our U.S. operations would be logistically advantageous . . . taking the hot metal and direct-casting it into re-roll products. But there is no immediate prospect for smelting in the U.S."

Jamaica used to represent the company's best alumina economics but "now they are the worst. Some of this is Jamaica's doing and some of it is not. Jamaica has been hard hit by the oil price hikes and its alumina industry is wholly based on oil. But Jamaica's bauxite is now the highest taxed in the world. The bauxite cartel may talk about equalising the tax level in all producing countries, but this would have to be done on a formula basis because not all bauxites have the same alumina content and processing characteristics.

Alumina

Turning to the Irish alumina plant, Mr. Leman said it is "still very active though we have not yet got partners for 100 per cent. of it . . . as soon as we do, it will go ahead. We are not abandoning that one. It is the best alumina site in the Atlantic basin. The company chosen to build the Nigerian smelter would not necessarily be the one coming up with the best cost figures for the plant. The Nigerians want a deal on raw materials, training of local people, and a guaranteed offtake of part of the production. It is a total commercial situation."

● Alcan Aluminium earned $17.6m. or 51 cents a share in the quarter to March 31, against $36.1m. or $1.06 a share a year earlier, reflecting a change by the U.S. subsidiary to the Lifo basis of inventory valuation, which tends to depress earnings. Sales: $533m. ($534m.). The dividend has been cut from an annual $1.40 a share late last year to 80 cents, reflecting the downturn in business volume and profits. Total assets at end 1974: $2.9bn., up from $2.4bn. a year earlier.

The company is now operating at 79 per cent. of rated capacity in its Canadian smelting system against a high point of around 95 per cent. in the 1973-74 boom.

More Dutch penetration in the U.S.

BY MICHAEL VAN OS

AMSTERDAM, July 1.

THE CURRENT attraction of the American market for Dutch industrial companies was underlined again this week by the announcements that three Dutch companies intend to raise their investments in the U.S. They are SHV, the large industrial and trading company, Paktank, which is said to be the world's largest independent storage company, and Van Ommeren, a major storage and shipping company.

SHV has said that its U.S. subsidiary, SHV North America, has reached agreement with the Cincinnati-based company David Joseph on the acquisition of a majority interest. This family-owned company, which employs some 450 people, is active east of the Rocky Mountains in industrial scrap. The major share of its activities involves broking, but the company also prepares scrap for the steel industry.

SHV has pointed out in a short statement that it has long had many contacts with the steel industry as a result of its coal and ore trading activities. The acquisition of David Joseph, about which it would give no details—nor even its turnover—fitted in with its policy of a "balanced" build-up of the internationalisation of the concern.

Paktank, which is part of the Pakhoed group, said in Rotterdam that it is setting up a joint venture with a U.S. company to operate tank storage facilities and to construct additional tankage in South California. The U.S. company is Western Petroleum Storage, a subsidiary of Pacific Lighting in Los Angeles.

The company, called Paktank Pacific, has initial plans for an installation in Los Angeles with a capacity of about 500,000 cubic metres. This could eventually be expanded to some 1.5m. cubic metres. The space will be let out to oil companies and other large users.

Pacific Lighting has assets totalling $1.5bn. and its subsidiaries are active in natural gas supply, coal gassification, gas liquefaction projects, real estate and agriculture.

Van Ommeren said in Rotterdam that it had reached agreement with International Tank Terminals in New Orleans to set up a 50-50 joint venture to be called International-Matex Tank Terminals. This company will group all tank storage interests in the U.S. of International Tank Terminals, including two installations near New Orleans, totalling some 1m. cubic meters in capacity.

The new partnership will also have interests in terminals at Ulsan, South Korea (17,000 m3), Karachi, Pakistan (24,000 m3), and at Chittagong, Bangladesh.

Irish loan increased

BRUSSELS, July 1.

IRELAND IS issuing a 25m. units of account (UA), seven-year, 9.25 per cent. loan at 99.50 per cent. on the European capital market, an Irish embassy spokesman told Reuter.

The agreement was signed with a syndicate of banks led by Kredietbank of Belgium and included the Kuwait Foreign Trading Contracting and Investment Company (SAK). Payment will be in Belgian francs. The amount of the loan was raised from the UA20m. originally envisaged, the spokesman said.

Loeb Rhoades and Deutsche Genossenschaftskasse have arranged a DM40m. private placement for the Bulgarian Trade Bank. The financing provides for a 5-year maturity and a fixed rate of interest based upon the yields currently prevailing in the German capital market.

The five year $500m. Eurodollar loan being raised by Iraq is expected to be finalised at the start of next week, sources close to the Union des Banques Arabes et Francaises (UBAF) said. The sources said the possibility of a participation fee for the loan, which bears an interest of 1.5 per cent. over the London interbank offered rate is under discussion.

Terms for the five year $50m. loan, carrying interest at 1.75 per cent. over the London interbank rate, for the Sultanate of Oman, are virtually complete and should also be finalised next week, they said.

Reuter

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Two projected loans for Algeria in the medium-term Eurocurrency market are being combined into one credit, totalling around $500m., London bankers told Reuter. The credit will be raised jointly by two Algerian State banks, Banque Exterieure d'Algerie and Banque Nationale d'Algerie, and the two banks will share the proceeds equally, London bankers said.

First Chicago, the U.K. merchant banking division of First National Bank of Chicago, and Amex International, will act as lenders to the credit.

Esso Schweiz profits plunge

By John Wicks

ZURICH, July 1.

NET PROFITS of Esso (Schweiz), the Swiss Exxon subsidiary, totalled only Sw.Frs.5.2m. last year as compared with a figure of Sw.Frs.32.4m. in 1973. Combined sales of mineral-oil and chemical products dropped in volume by one-quarter to 1.94m. metric tons, while net turnover rose from Sw.Frs.841.3m to SwFrs.968m. due to increased sales prices.

The company, whose market share dropped from 15.8 to 12.8 per cent. over the year, reduced its total number of filling stations to 661 (706) by the end of 1974. This was partially responsible for a 10.8 per cent. drop in higher-octane petrol. Fuel oil and bitumen sales also declined over 1973, fuel oil sales having become unprofitable due to surplus market supplies at a time of rising OPEC prices. Esso (Schweiz) booked higher sales, however, of standard-grade petrol, light petroleum fraction and aviation spirit.

OEMV raises dividend

BY PAUL LENDVAI

VIENNA, July 1.

OEMV, the Austrian state oil corporation announces a dividend of 8 per cent. and a "special bonus" of 9.5 per cent. for 1974. Director general Bauer described the dividend increase and what he called a "super bonus" as compensation for the low dividends of 4.5 and 2 per cent. paid respectively in the previous two years.

Company profit rose from Sch.45m. (£1.2m.) in 1973 to Sch.174m. last year. Turnover of OEMV, after deduction of state petrol tax but including the operations of the two marketing subsidiaries, rose by 86 per cent. to Sch.17.6bn.

Herr Bauer spoke out in favour of forging direct contact between oil consuming and producing countries. He revealed that Austria's share in the three cornered gas deal between Iran, the Soviet Union and the German Ruhrgas company will be increased from 10 to 17 per cent. As from January 1, 1978, Austria will receive 1bn. cubic metres of additional gas from the Soviet Union, thus raising total annual imports from the Soviet Union to 2.5bn. cubic metres.

Demand for petroleum products last year in Austria fell by 10.2 per cent. and a further 6 per cent. drop is expected this year. OEMV's output last year was 1.8m. tonnes of crude oil and 1.5bn. cubic metres of natural gas, while oil production in 1975 will be maintained at last year's levels, gas output will be slightly reduced, Herr Bauer said

Swedish cut in margins

By William Dullforce

STOCKHOLM, July 1.

THE SWEDISH association of engineering companies (which accounts for nearly half the country's exports), forecasts an overall decline in profitability within the industry during 1975 and 1976 in its preliminary analysis of the 1974 results. A sharp increase in wage costs cannot be fully compensated by higher prices at a time of international recession, it states.

The 1974 figures show a slight drop in profitability compared with 1973 but these two years, according to the association's managing-director, Mr. Aake Nordlander, have seen a welcome revival in earnings, which has led directly to an increase in the number employed in the industry.

The return on total working capital last year dropped from 8.4 to 6.9 per cent. for the small companies and from 9.3 to 8.6 per cent. for medium-sized concerns, larger companies had a more or less unchanged return of 7.8 per cent. There were wide variations among the 180 companies surveyed, and 28 operated at a loss.

Profits before interest and tax rose by about 19 per cent. in 1974 at the same time as the companies' total working capital increased in roughly the same proportion. The pre-tax income/own capital ratio dropped slightly from 13.4 to 13.2 per cent. with the smaller companies showing the bigger fall.

Publicis expecting upturn

By Rupert Cornwell

PARIS, July 1.

DESPITE THE predictable impact of the present recession on the advertising business, the major French agency, Publicis, is quietly hopeful of an improvement later this year, aided by the healthy spread of its interests.

Publicis, along with Havas—the "big two" of the French advertising world—reported at its annual general meeting a sharp drop in after tax earnings to Frs. 4.4m. from Frs. 7.6m. This came after a fractional advance in group turnover in 1974 to Frs. 1,524m. from Frs. 1,518m.

The explanation is the familiar one of economic slowdown which has held France in an ever tightening grip since the third quarter of 1974. This has meant fewer product launches and the decision of clients to thin out as far as possible scheduled campaigns.

However the broad diversification of Publicis' activities has permitted the blow to be cushioned to a substantial extent. Its international offshoot Intermarco/Farner managed a rise of some 13 per cent. in sales and succeeded in pushing profits up slightly to Frs. 1.9m. from Frs. 1.7m.

On the other hand, the press interests of Publicis fared badly. Turnover fell and profits dipped to Frs. 1.2m. from Frs. 3.7m. Largely due to circumstances beyond its control, the drugstore end of the group also lost money in 1974.

Burnt down in late 1972, the Champs Elysee store only opened again at the end of last year, and the absence of this proven money-spinner caused a loss of Frs. 1.2m.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	NOTES	Bid	Offer		Bid	Offer
Amax 8½pc 1986	99	100	Australia Ind. Dev. Co. 10½pc 1981	103	104	Ford 5pc 1988	73½	75½
Ashland 9pc 1987	91½	92½	Barclays 7½pc 1978	97	98	Fuji 6½pc 1985	110	bid
Austraswiss 9pc 1987	89½	90½	Cie Natl. du Rhone 10pc '82	103	104	General Electric 4¼pc 1987	87	89
BFCE 9pc 1989	97	98	Du Pont 7½pc 1978	102	103	Gillette 4¾pc 1987	75½	79½
Borregaard 8½pc 1989	96	97	Esso 7½pc 1978	100½	101½	Gould 5pc 1987	83	85
Carrier 9pc 1987	90	91	General Motors 8½pc 1976	101	102	Halliburton 4¼pc 1987	140	142
Conoco 9pc 1986	96½	97½	Marubeni 9½pc 1982	101½	102½	Harris 5pc 1992	86	88
Consol Foods 7¾pc 1991	87½	88½	Nippon Fudosan 10½pc 1981	102½	103½	Hitachi 6½pc 1984	105	110
Cutler Hammer 9pc 1987	92	93	Skandinaviska Enskilda 10½pc 1981	103½	104½	Honeywell 6pc 1986	79	81
EIB 9½pc 1985	101½	102½	Tenneco 7½pc 1979	98	99	ITT 4½pc 1987	67½	69½
Esso 9pc 1986 Nov.	97½	98½	Tokyo Curacao 10½pc 1981	103	104	Komatsu 7½pc 1990	106½	108½
General Cable 8½pc 1987	89	90	Source: White Weld Securities.			J. Ray McDermott 4¾pc '87	160	162
General Motors 8½pc 1986	102	103	CONVERTIBLES			Mitsui 8½pc 1989	150	bid
GTE 9½pc 1986	97½	98½	American Express 4¼pc '87	93½	94½	J. P. Morgan 4½pc 1987	132	134
ICI 7¾pc 1992	79½	80½	Ashland 5pc 1988	81	83	Motorola 4½pc 1988	134	bid
Nat. Grindlays 7½pc 1987	79½	80½	Beatrice Foods 4½pc 1992	95½	97½	Owens Illinois 4½pc 1987	87	89
Pacific Light 9pc 1988	90½	91½	Beatrice Foods 4⅞pc 1992	103	105	J. C. Penney 4½pc 1987	87	89
Prov. of Quebec 7¾pc 1988	88	89	Borden 5pc 1992	[illegible]	93	Pioneer 6½pc 1989	139	141
Quebec Hydro 8½pc 1989	97	98	Broadway Hale 4½pc 1987	74	76	Rand Selection 6½pc 1988	100	103
Queensland 8¼pc 1987	88	89	Canon Camera 7¼pc 1989	92	94	Rank 4½pc 1993	42	44
Scanraff 8½pc 1988	95½	96½	Carnation 4pc 1987	90	92	Revlon 4⅞pc 1987	101	103
Shell 9pc 1986	97	98	Chevron 5pc 1988	101	103	Sperry Rand 4¼pc 1987	99	101
Stand. Oil (Inc.) 8½pc 1986	99	100	Dart 4¾pc 1987	89	92	Squibb 4½pc 1987	87	89
Tenneco 7½pc 1987	87	88	Eastman Kodak 4½pc 1988	115	117	Toshiba 6½pc 1995	158	bid
Transocean 9pc 1986	98	99	Economic Labs. 4½pc 1987	96	98	Union Carbide 4⅞pc 1982	108½	110½
TRW 8½pc 1986	96½	97½	Eidal 7½pc 1989	100	102	Warner Lambert 4½pc 1987	94	96
Utah 9pc 1987	97	[illegible]	Ford 6pc 1986	85	87	Warner Lambert 4½pc 1988	80	82
Volvo 9½pc 1985	99	100				Xerox 5pc 1988	77½	79½
Air France 9½pc 1982	102	103				Source: Kidder, Peabody Securities.		

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'Use N. Sea oil money for Scottish tourist industry'

SOME OF the money from North Sea oil should be used to develop leisure and tourism facilities in Scotland, the Scottish Tourist Board says in its annual report, published yesterday.

Oil will undoubtedly bring substantial economic benefits to many areas of Scotland, and a prosperous tourist industry should be built on a base of overall economic prosperity, the Board says.

"Equally, however, oil will take something out of the leisure environment, especially in the West and the Islands. We think, therefore, that the benefits of oil and the revenues produced should in part be used to restore the balance.

"If this country wishes to use some of its environmental resources to produce oil—and no one with the economic prosperity of Scotland at heart would wish otherwise—then part of the financial benefits should be used to provide new facilities for leisure, and to conserve and enhance the landscape wherever this is practicable."

The report says such policies will become increasingly important as the demand for quiet recreation grows.

There were 800,000 overseas visitors to Scotland last year, a slight decrease on 1973. Although the number of visitors from the U.S. dropped by 15 per cent., there was a compensating increase in business from Western Europe, the report says.

Spending by British tourists in Scotland amounted to £210m.-£250m. Expenditure by overseas visitors amounted to between £70m. and £90m. Total expenditure by British and overseas visitors, at approximately £310m. showed an increase of £50m. compared with 1973.

W. Africa shippers' costs rise

By James McDonald, Shipping Correspondent

THE EFFECT of present and anticipated rises in costs "presents an appalling prospect of what the U.K.-West Africa Lines Joint Service must pass on to their customers at the time of the next freight rate increase," say member lines in the shipping conference's report for 1973 and 1974.

The increase was the result of inflationary settlements and "must be much sooner than UKWAL would wish, being to the detriment not only of the members but of the trade as a whole."

Wage awards had been agreed in the U.K. up to April of approximately 30 per cent. to London dockers and 30 per cent. to ship officers, while the seamen's union had refused an offer of a 30 per cent. increase.

Wage inflation in the U.K. continued at a rate of nearer 30 per cent. than 20 per cent. The effect of cost increases in Nigeria were becoming evident as were 50 per cent. and 200 per cent. increases in Ghana port and stevedoring charges at the end of last year.

All these increases must be seen against a background of a freight rate increase of 25 per cent. last March to take in increased costs during 1974, the report said.

Member lines of UKWAL are: Elder Dempster Lines; Palm Line; Guinea Gulf Line; Black Star Line of Ghana; Nigerian National Shipping Line; Hoegh Lines; and ACE Containers—the container company operated by the other member lines of UKWAL.

Plaid seeks European partnership

THE COMMON MARKET should move in the direction of a confederation of self-governing European states, rather than political union, Plaid Cymru said in a memorandum published yesterday.

The memorandum has been presented to the Belgian Prime Minister, M. Tindemans, who is meeting a Plaid Cymru delegation led by MP. Mr. Gwynfor Evans at the Welsh Office in Cardiff to-day. M. Tindemans is drawing up a report for the EEC heads of state on the question of European union.

The memorandum said a directly elected European Assembly with power to scrutinise the working of the European Commission would mean more centralisation, with power drifting away from member-states to an embryo EEC Government based on the European Assembly and the Commission.

Plaid Cymru proposed a partnership of European nations, taking the form of a European Confederation which would be responsible for maintaining free trade and co-ordinating regional policies to any adverse effects.

It also said the setting-up of EEC offices in Cardiff and Edinburgh had already recognised the national status of Wales and Scotland.

Crosland to be asked for transport White Paper

MR. ANTHONY CROSLAND, the Environment Secretary, is to be asked in the Commons to-day to produce a White Paper on transport policy. Mr. Leslie Huckfield, Labour MP for Nuneaton, who has tabled the question said yesterday: "It must be stressed . . . again that decisions on the transport system should not be made in isolation."

Mr. Crosland's announcement on Monday that the railways were seeking higher fares and charges and were looking at the level of manning and services to try to reduce costs, was an indication that a partial decision was being made about transport.

Mr. Huckfield is chairman of the Labour Party study group which produced a transport policy three months ago urging the setting up of a National Transport Authority. This report said the case for subsidising rail commuter passenger services was strong, but that some capital expenditure should be applied to enable the railway labour force to be reduced.

Some rural and cross-country passenger services could hardly be justified, but no Government could regard major reductions in railway mileage as politically acceptable.

Mr. Crosland was chairman of this study group until he was appointed Minister, when Labour took office last year.

The foreign quarter of Yorkshire's newcomers

ABOUT A QUARTER of the people who moved into Yorkshire and Humberside in 1970 were from outside Britain, according to a census report out to-day.

The report, based on a 10 per cent. sample, says that of the 510,180 people in the region who moved house, 422,490 had changed addresses within the region, 68,040 came from other parts of Britain, and 19,630 had moved in from outside Britain.

Of people moving between Yorkshire and Humberside and other regions of Britain, the largest numbers moved to and from the South-East, accounting for 26 per cent. of the total outflow and 24 per cent. of the inflow.

The region had a net loss of 14,750 from moves to and from the rest of Britain.

Migration Regional Report (10 per cent. sample) Yorkshire and Humberside Region (Part I). Office of Population Censuses and Surveys, SO, £3.70.

Recycling of water urged in textiles

RECYCLING of water could give significant savings to textile companies, says Wira, the Leeds-based textile technical centre.

A report by the centre quoted the example of Hield Brothers, of Morley, near Leeds, worsted manufacturers. By installing equipment which recycled the final rinse water from 10 worsted piece scouring machines the company had reduced its usage of mains water by about 20,000 gallons a day. It could expect a reduction in its annual water bill of up to £2,000 at a capital cost of about £3,500.

This had been achieved after a feasibility study carried out by Wira and the company. Earlier surveys had shown that about half the rinse water discharged from piece scouring machines was suitable for re-use without any intermediate treatment.

MORE FACTORIES FOR LANCASHIRE

The Central Lancashire Development Corporation is going ahead with proposals to provide another 110,000 sq. ft. of factory space at their Employment Centre at Walton Summit near Preston after the encouraging response of industrialists to the speculative building of 22 factories there.

Marina plan defeat was 'political chicanery'

THE DEFEAT in the Commons of plans for a £10m. marina at Eastbourne was described by the town's Chamber of Commerce yesterday as "political chicanery."

Left-wing MPs threw out the Eastbourne Harbour Bill—which would give the go-ahead to the marina project—by 66 votes to 45.

Mr. Derek Skinner, (Labour MP for Bolsover), said that the marina—on land owned by the Duke of Devonshire—should not be allowed in the present economic situation.

The Duke said yesterday that the defeat would not mean that the project would be scrapped.

The vote started angry reaction in the town. Mr. John Wood, president of the Chamber of Commerce, said: "This decision is a major blow to Eastbourne. I think the way it was done was the most deplorable piece of political chicanery."

Mr. David Lowe, president of Eastbourne's Hotels' Association, described the defeat as one of the "blackest days" in the resort's history.

The Duke of Devonshire said: "Is it right that one tenth of the Members of Parliament should ride roughshod over the views of the local people in Eastbourne and East Sussex who are so much in favour of the scheme?"

The trustees to the Chatsworth Settlement, which managed his Sussex estates, would be meeting shortly to decide on the project. There were three choices. One was to abandon the scheme, another involved going ahead with the inland lake and houses without the harbour, and a third was to reintroduce the Bill in the next session of Parliament.

Liberal councillor Tony Boswall, chairman of the resort's Tourism and Leisure Committee, said that he was "appalled" at the way the Bill was thrown out. "The whole of our seafront towards the eastern end had been planned with the harbour in mind. The whole town is behind this scheme."

Lloyd's figures show numbers of ships sunk

By James McDonald, Shipping Correspondent

DURING the final quarter of last year 60 merchant ships, aggregating 207,005 gross tons—0.07 per cent. of the world's merchant fleet—were totally lost, according to Lloyd's Register of Shipping statistics published to-day.

Under the British flag, only four small vessels totalling 1,442 tons were lost. The biggest loss was suffered by the Japanese flag with six casualties, aggregating 51,130 tons and representing in tonnage terms 0.13 per cent. of the Japanese fleet.

The Liberian flag lost four ships totalling 37,713 tons—0.07 per cent. of the national-flag fleet, and Panama lost five vessels of 13,241 tons—0.12 per cent. of the fleet.

During the quarter, 90 ships were condemned or broken up, not as a result of casualty, and the total tonnage of 560,000 tons represented 0.18 per cent. of world merchant tonnage. Liberian-flag tonnage contributed the largest amount to the total—nearly 130,000 tons followed by the U.S. with 109,000 tons.

Standard and Chartered
BANKING GROUP LIMITED

The Directors announce the results of the Standard and Chartered Banking Group for the year to 31st March 1975 as follows:—

	£000	£000	1974 £000	1974 £000
Trading Profit of the Group before special items (Notes 1 and 2)		82,863		64,353
Special Items:				
Additional provision against advances	6,000			
Additional provision for pensions	10,701	16,701		—
		66,162		64,353
Share of Associated Companies' Profits		4,984		5,437
Profit before taxation and extraordinary items		71,146		69,790
Taxation:				
United Kingdom less double taxation relief	7,667		10,468	
Overseas	28,350	36,017	22,719	33,187
		35,129		36,603
Minority Interests		5,472		4,187
Net Profit before extraordinary items		29,657		32,416
Extraordinary items less taxation and minority interests (Note 3)		4,628		13,754
Net Profit after extraordinary items		25,029		18,662
Dividends		7,989		7,362
Retained		17,040		11,300
Earnings per share (Note 4)		49.3p		58.5p

NOTES

1. The accounting policies adopted are consistent with those applied in previous years and include a charge for bad and doubtful debts made in arriving at trading profit which is based upon average experience for the current and four preceding years. When the resultant provision differs from the amount considered adequate the shortfall or excess is charged or credited to Profit and Loss Account as a special item.
2. Group trading profits include those of The Hodge Group Limited for the year ended 28th February 1975 and of The Chartered Bank and Standard Bank Sierra Leone Limited for the year ended 31st December, 1974.
3. Extraordinary items, which include certain items formerly dealt with in reserves, comprise:

		1974
Excess of cost over the book values of net tangible assets of subsidiaries acquired during the year	£4,445,000	£15,933,000
Net losses (profits) on sales of properties, subsidiaries and trade investments and sundry items	£ 183,000	(£2,179,000)
	£4,628,000	£13,754,000

4. Earnings per share are based upon issued share capital of £60,096,000 and profits of £29,657,000 arrived at after deducting special provisions of £16,701,000 (pre-tax) but before extraordinary items. (1974 weighted average share capital £55,411,000 and profits £32,416,000).

DIVIDEND

The Directors have resolved to recommend to shareholders at the Annual General Meeting to be held on 12th August 1975 the payment of a final dividend of 7.0445 pence per share to shareholders on the Register of Members at the close of business on 18th July 1975, which, together with the interim dividend paid in January, will make a total for the year of 13.2945 pence per share (1974 12.25 pence). Including imputed tax the total for the year is 20.166 pence per share (1974 17.925 pence) and is the maximum permitted under Counter Inflation Regulations.

E. HAMPDEN SMITH. L. R. BISHOP,
JOINT SECRETARIES.

COMPANY NOTICES

HOPE STREET FUND

société anonyme
Registered Office:
LUXEMBOURG, 14 rue Aldringen
Registre de Commerce: Section B.8.621
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of HOPE STREET FUND S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on July 18th, 1975 at 15.30 for the purpose of considering and voting upon the following matters:

1) To hear and accept the reports of:
   a. the directors
   b. the statutory auditor.
2) To approve the balance sheet and profit and loss account for the year ended March 31st, 1975.
3) To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st 1975.
4) To elect the directors to serve until the next annual general meeting of shareholders.
5) To elect the auditor to serve until the next annual general meeting of shareholders.
6) To renew the authorisation to issue additional shares within the authorised Capital for a further five year period.
7) Miscellaneous.

The shareholders are advised that no quorum for the statutory meeting is required and that all decisions will be taken at the majority of the shares present or represented at the meeting, with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one fifth of the shares issued or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of July 18th, 1975 the owners of bearer shares will have to deposit their shares five business days before the meeting at the registered office of the Fund, 14, rue Aldringen Luxembourg, or with one of the following banks:
—Banque Générale du Luxembourg, S.A. LUXEMBOURG
—Clydesdale Bank Limited 30 Lombard Street, LONDON, EC2.

The Board of Directors.

VEREENIGING REFRACTORIES LIMITED
(Incorporated in the Republic of South Africa)

PREFERENCE DIVIDEND No. 58

Further to the dividend notice advertised in the Press on the 28th May, 1975, the conversion rate applicable to payments in United Kingdom currency in respect of the abovementioned dividend is £1 = R1 563395 equivalent to 3.51798p per share.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
E. Burrows

London Office:
40 Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited.
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent. TN24 8EQ.
1st July, 1975.

LEGAL NOTICES

THE COMPANIES ACT, 1948
FIRST & SECOND MORTGAGE COMPANY LIMITED
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that the Creditors of the above named Company are required, on or before the 30th September 1975 to send in their names and addresses with particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned Arthur Norman Chapman, Chartered Accountant of 70/74, City Road, London, EC1Y 2DU the Liquidator of the said Company and, if so required by notice in writing by the said Liquidator, are by their Solicitors or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distributions made before such debts are proved.

Dated this 20th day of June 1975.
A. N. CHAPMAN
Liquidator

THE COMPANIES ACT, 1948
STUBBINGTON HOUSE LIMITED
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that the Creditors of the above named Company are required on or before the 30th September 1975 to send in their names and addresses with particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Arthur Norman Chapman, Chartered Accountant, of 70/74, City Road, London, EC1Y 2DU the Liquidator of the said Company and, if so required by notice in writing by the said Liquidator, are, by their Solicitors or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 20th day of June 1975.
A. N. CHAPMAN
Liquidator.

"A company in the export market expects efficiency from its bank. We get that-and more-from the Midland"

-Alan Burrough, C.B.E., Chairman of James Burrough Limited, London.

Quality testing of Beefeater Gin calls for years of experience and expert knowledge.

James Burrough Ltd, Distillers of Beefeater Gin, are responsible for about half of this country's total gin exports. In fact, over 80% of their production goes for export, which is why they have won the Queen's Award to Industry three times.

The making of Beefeater London distilled gin still depends, even now, on human expertise as much as modern technology. 'No analytical process can be as sensitive as the human nose'. But James Burrough are constantly becoming even more advanced in the marketing of their products and, therefore, in the demands they make on Midland Bank.

How we use the Midland

The areas where the Midland can help Burrough's most are those either of tactical short-term support at short notice, or more usually in the complex area of foreign finance and exchange. Here, the Midland's assistance is vital in organising such things as prompt paying of overseas agents and providing credit control references for new contacts in export markets. And, generally, in meeting the stringent requirements of a large professional company that operates in over 170 different markets–and doing it fast.

A happy relationship

This is the bonus that Burrough's appreciate in their dealings with the Midland. The keynotes of the relationship are speed and efficiency. "All our queries and demands are dealt with quickly," says the company. "The job is usually in hand by the end of a 'phone conversation. This is perfect for us, because in our business we can't afford that 'leave it with us' attitude. That just means waiting around and losing opportunities. But because we know the Midland and they know us, they can always come back with the answers quickly."

If your business needs a standard of banking service that matches your own efficiency, you'll get it from the Midland. Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.

Midland Bank Group

Principal trading companies: **Midland Bank Limited; Clydesdale Bank Limited,** Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; **Northern Bank Limited,** Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited; **Midland Bank Trust Company Limited;** **Midland Bank Finance Corporation Limited,** Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; **Midland Bank Insurance Services Limited; The Thomas Cook Group Limited,** Thomas Cook Limited; Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; **Samuel Montagu & Co. Limited (Incorporating Drayton),** Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; **Bland Payne Holdings Limited,** Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; **Guyerzeller Zurmont Bank AG.**

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TENNIS BY JOHN BARRETT

Connors' service return overpowers Ramirez

Ramirez on Court No. 1 playing against champion Jimmy Connors.

ON A DAY full of brave deeds and gallant losses Wimbledon provided a fitting hors d'ouvre for the feast that lies ahead. Four rugged men's quarter-finals matches resulted in three American victories and an Australian survival against the odds.

Elsewhere, the last of the eight seeded pairs were removed from the men's doubles—an unprecedented happening that underlines the hungry talent rising in the world game—and in the women's doubles the only seeds still alive are Billie Jean King and Rosemary Casals, the second favourites.

And revelling in it all on another perfect day was a marvellously enthusiastic gallery—another 27,745 to add to the seven-day total of 277,925. With the 80,000 tickets already sold for the two show courts this assures that last year's record of 306,161 will be broken.

Contrast

The holder and top seed, Jimmy Connors, U.S., came through with awesome authority against Mexico's No. 8 seed, Raul Ramirez, 6—4, 8—6, 6—2 and answered the only crisis in the 12th game of the second set with some punishing returns that broke Ramirez as he served to level the match at 6—5.

The way Connors responded to a doubtful line call that cost him his service then marked him as a champion—a sharp contrast to the petulance of his friend and doubles partner, Ilie Nastase, who allowed a similar incident to destroy him last week.

The break was occasioned by a disturbance on a Connors forehand volley that appeared to land inside the Mexican's backhand line. After a short discussion, Connors attempted to maintain his concentration but saw a beautiful Mexican backhand dip quietly past him.

Commenting on the decision afterwards Connors said: "I wouldn't be a linesman for a million dollars, particularly if I was playing."

The disturbance appeared to sting the champion into action, and he now played the best tennis of the match as he broke back at once to 30 with a flashing forehand pass across the court, then held serve to 30 with a well-controlled smash, and broke again to 15 with fierce, unplayable returns and passes that no one, I feel, would have reached.

That had been a 54-minute battle of wits, but from the way Connors had moved smoothly into a higher gear when danger threatened, one felt that Ramirez was simply not well enough equipped to stand a chance of bringing down the champion.

Thus Connors has yet to lose a set in these championships and he now plays another American, Roscoe Tanner, the 11th seed, and the man who beat him 7—5, 6—3 two weeks ago in the John Player Tournament in Nottingham.

In a heavyweight slugging match between two left-handers yesterday Tanner found his touch on his service returns just in time to end the hopes of Argentina's Guillermo Vilas, the fourth seed, in five sets 6—4, 5—7, 8—8, 6—2, 6—2.

Commenting upon his forthcoming semi-final with Connors, Tanner said: "I feel much more confident this year. I won Las Vegas and beat Connors a couple of weeks ago. I guess I gave Jimmy some problems—he didn't break my serve. I gave him something that he couldn't figure out."

Certainly, the blistering left-handed serve is the rock upon which his uncompromising game is built, and its bludgeoning power yesterday eventually beat Vilas into submission—despite the South American's proved quality on grass, for he is the reigning Masters champion by virtue of victory last December in Melbourne.

It remains to be seen whether Connors' brilliant returns can do against the Tanner serve what Vilas was unable to achieve.

The victory of sixth seed Arthur Ashe over the brilliant young Swede, Bjorn Borg, seeded three, was tinged with sadness. An injury to his right leg, sustained at practice at Queen's Club yesterday morning, eventually robbed Borg of his mobility.

After a brilliant start that won him the first four games and the opening set, Borg was beaten 2—6, 6—4, 8—6, 6—1, almost a carbon copy of Ashe's victory against him in the WCT finals in Dallas last May. The American won 3—6, 6—4, 6—4, 6—0 but there was no injury then—except perhaps in the mind at the end of the arduous 14-week circuit.

Ashe will now play an old foe, the 30-year-old Australian Tony Roche, another left-hander, the 16th seed and the man who defeated another hero of yesteryear on Saturday, the evergreen Ken Rosewall, 10 years his senior.

Roche responded magnificently yesterday to the challenge of Tom Okker, the Flying Dutchman, who was seven places above him. After reeling from the Dutch top spin onslaught in the opening set, he survived a magnificent tie break by 13 points to 11 to take the second set.

Recovering from another Okker surge that won the Dutchman the third set, Roche bounced back to win the last two sets with some magnificent backhand play allied to some intelligent lobbing that saw him safely through 2—6, 9—8, 2—6, 8—4, 6—2.

At last it seems that this prodigious talent, which has survived injuries to operations on elbow and leg as well as a painful shoulder injury, might at last fulfil the promise that brought him the Italian and French titles as long ago as 1966 and made him the heir apparent to Rod Laver's world crown when he lost to him in that first open Wimbledon final in 1968.

The Centre Court programme had opened, unusually, with a men's doubles—the finish of the third round match between Dick Crealy (Australia) and Nicola Pilic (Yugoslavia), who had reached six all in the final set of their match against the young Americans, Charlie Owens and Jeff Austin, on Monday night.

The resumption was as exciting and crowd-pleasing as the previous evening's tennis had been, and it was only the inexperience of the younger American pair that led to a spectacular defeat, 3—6, 6—4, 3—6, 7—5, 13—11.

To-day the ladies return to dispute their two semi-finals. Chris Evert, the top seed, faces the determined challenge of Mrs. King, and Evonne Cawley takes on the restored power of Margaret Court.

I fancy that we shall see on Friday a repeat of one of those old familiar matches, Mrs. King v. Mrs. Court, that would write a fitting last chapter to the magnificent careers of either player. We shall see.

JERSEY-FRANCE LINK STARTS

A Hoverferry service between Gorey Harbour in Jersey and Carterot on the French mainland was inaugurated yesterday by a cross between a Hovercraft and a catamaran. It has a speed of up to 35 knots and does the 14-mile crossing in 30 minutes.

The Hoverferry operated by Hovercross, a Jersey company with local and French directors, was built by Hovermarine Transport, of Southampton.

FENLAND PAPER GOES GIVE-AWAY

The Wisbech Advertiser and Pictorial, published in Cambridgeshire since 1845, switches to a give-away to-day with a guaranteed circulation of 20,000. It will be known as the Fenland Advertiser, with 32 pages, and will be delivered free to homes and businesses. The newspaper, which previously cost 5p, had a circulation of 9,000.

A company spokesman said there would be no redundancies "but a small amount of job re-adjustment."

RACING BY DOMINIC WIGAN

Branded for Bell

THERE ARE few, if any, more improved horses in the North than *Branded* and, despite his rapid rise in the weights, I shall be disappointed if Mick Easterby's game gelding cannot gain his fifth consecutive victory to-day.

Shawn Salmon's mount, a Carlisle specialist, bids for his third course victory on the pear-shaped Cumberland course in the long-established Carlisle Bell, for which the bell was presented by Lady Dacre in the reign of Queen Elizabeth I.

Branded, who failed to score in five attempts as a two-year-old before gaining three successes from ten outings last year, opened his account this term by getting up close home to defeat Princely Mount, from whom he was receiving 12 lb., in the Scafell Handicap over this one-mile course and distance early in May.

Since then, the Malton four-year-old has landed similar events at Redcar and Beverley, and on his most recent outing, the Crown Plus Two Apprentice Championship Handicap at Ayr.

Shaken up inside the distance on the Scottish track, Branded ran on strongly to put three lengths between himself and Sunny Jim, to whom he was conceding 4 lb, with Baggin Time a further one and a-half lengths away in third place.

In what seems likely to be a much more closely run affair than the Crown Plus Two event, I envisage Branded's useful turn of finishing speed enabling him to cope with Baggin Time, who opposes on 2 lb better terms.

An hour after the Carlisle Bell many racegoers seem likely to row in with Gift Acre ridden by Elain Mellor for her husband, the popular former champion National Hunt jockey, Stan, in the Burgh Barony Races Commemoration Cup, which the Lambourn trainer and his wife won a year ago through Montanello.

Although Gift Acre could well go close on his best form, he has not made the frame in three attempts this term and I believe that the concession of 16 lb to the progressive course winner *Young Crosby* will prove just beyond him.

Turning to Yarmouth, where that fine 3 lb claiming apprentice Alan Bond, who maintained his fine run at Folkestone yesterday, can keep up his scoring rate through *Viverra* in the Oulton Maiden Stakes.

The best bet seems likely to be *Lord Aquarius*, bidding to land the Debbage Handicap for a second successive year. This five-year-old son of Double-U-Jay, trained by Michael Stoute for his wife Joan, showed that he was returning to form when keeping on gamely to take fourth place behind Kafka, Honoured Guest and Alaska Highway in the Joe Coral Handicap at Ripon early last month.

I expect Lord Aquarius to be followed home by Verdant Green, an easy winner from Pilgrim Soul over to-day's one-and-a-quarter-mile at the last meeting here.

At Brighton, where *Firetail* is a tentative choice for the afternoon's most valuable event, the Friend-James Memorial Handicap it is difficult to imagine *Deep River*, an impressive winner from Love Rocket in a good time at Pontefract last week, failing to outclass the extremely moderate rivals he meets in the Pevensey Stakes.

CARLISLE
2.45—Longacre
3.15—Branded
4.15—Young Crosby***

BRIGHTON
2.00—Grey Ghost
2.30—Royal Dart
3.00—Firetail
3.30—Caspardale*
4.00—Chaplin
4.30—Deep River

YARMOUTH
3.15—Lord Aquarius**
4.15—Kung Fu
4.45—Viverra

APPOINTMENTS

Senior changes at Grindlays Bank

Mr. N. J. Robson has been appointed a deputy chairman of GRINDLAYS BANK from August 1. In the absence of the chairman, Mr. Robson will act for him. Mr. Robson has also been appointed deputy chairman of Grindlays Holdings with effect from that date.

At the same time Mr. E. H. Owen, who will reach the age of 72 in August, will relinquish the position of deputy chairman of Grindlays Bank, which he has held since February 1967; but he will remain a director of the bank. Mr. C. R. Vincent and Mr. R. Mann will continue each as a deputy chairman.

Arbuthnot Latham and Co. states that in view of the extra duties its chairman, Mr. Robson, has agreed to undertake as deputy chairman of Grindlays Bank, he will be resigning as chairman on August 1. Mr. Robson will continue as a director of Arbuthnot Latham Holdings, the parent company, but will cease to be deputy chairman. Mr. Christopher Prideaux, the present deputy chairman of Arbuthnot Latham and Co., will be appointed chairman from August 1.

*

JOSEPH SHAKESPEARE AND CO. has become a holding company and has changed the trading name of its Old Hill factory to that of Joseph Shakespeare and Co. (Old Hill), which now becomes a subsidiary. Mr. Jack Shakespeare has been appointed group managing director and has resigned as managing director of the Old Hill factory to devote more time to the development of the other five companies in the group. Mr. Robert Rutherford is succeeding him as managing director of Joseph Shakespeare and Co. (Old Hill). It is intended that Mr. Jack Shakespeare will succeed Mr. Joseph Shakespeare as chairman of the group when he retires towards the end of this year. Mr. Joseph Shakespeare will, however, remain a director of the holding company.

*

Mr. G. G. B. MacDonald has been appointed assistant manager, dealing room, at BUTLER TILL, sterling money brokers. At the same time Mr. M. J. H. Brown and Mr. C. M. Dobson have become assistant managers (local authorities), while Mr. G. P. Wilton has been made assistant manager (commercial/local authority lenders).

*

Mr. James Carver has been appointed Chief Inspector of Mines and Quarries succeeding the late Mr. James Calder. Mr. Benjamin Duckworth has been made deputy chief inspector.

*

Mr. T. F. Honess has been appointed chairman of the RUBBER AND PLASTICS PROCESSING INDUSTRY TRAINING BOARD. He succeeds Mr. C. C. Hawkins who has been chairman of the Board for the past eight years.

*

Mr. H. E. Fogel, managing director of HOME CHARM, has been elected chairman. Mr. J. G. Fogel has resigned as chairman but remains a director.

*

SKETCHLEY has appointed Mr. T. J. P. Sanders to the Board of Sketchley Textile Division. He becomes divisional director responsible for Sketchley Dimension Weld and Sketchley Dimension Weld BV, Bladel, Holland. Mr. W. Firth has been made general manager of Sketchley Dimension Weld, Hinckley and London.

*

Mr. Walter Paton has been appointed a director of BUCK AND HICKMAN, a subsidiary of Town and City Properties.

*

Mr. G. J. Titford will be joining the BRITISH PETROLEUM COMPANY and will be appointed general manager of investments department on July 7. He was previously deputy investment manager of the Prudential Assurance Company. Mr. P. J. L. Richmond has been appointed assistant general manager of investments department of BP from that date.

*

Mr. G. M. Brass, Mr. C. J. Cairns, Mr. D. R. Cameron, Mr. D. Davies and Mr M. J. C. Ladenburg have been appointed assistant directors of J. HENRY SCHRODER WAGG AND COMPANY not Directors of that company as inadvertently reported on Saturday

*

Mr. Henry Keswick has been appointed chairman of REUNION PROPERTIES.

*

Mr. Martin Henderson has been appointed a director of MATHESON AND CO.

*

COUNTY BANK has appointed Mr. Gordon Brown a local director for Manchester, and Mr. Frank Prust a local director for Leeds. Mr. A. K. H. Fletcher continues to have overall responsibility for the bank's operations in those areas.

*

Mr. D. W. Bound, Mr. W. A. Hornby and Mr. O. P. L. Stiles have been appointed directors of STOREY BROTHERS AND CO.

*

Mr. Steven Kander and Mr. A. Seusel of the specialist and rare stamp department of STANLEY GIBBONS, have joined the Board of the company.

*

Mr. D. E. W. Thomas has been appointed managing director of STEEL BROTHERS AND CO., a subsidiary of Steel Brothers Holdings. Mr. Thomas has been transferred from Vancouver. He retains his appointment as president of the Candian subsidiary, Steel Brothers Canadian Holdings.

*

Mr. D. L. Shaw has been appointed a director of M. H. HEINEMANN.

*

Mr. G. L. Lindsay, Mr. A. Pollard and Mr. G. S. Denman have been appointed directors of WILLIS FABER (MIDLANDS).

*

Mr. Roy Everett has been appointed deputy general manager, staff, for BARCLAYS BANK INTERNATIONAL. Previously an assistant general manager, he retains his present responsibilities for management services.

*

Mr. J. A. Tatem has been elected chairman to the ASSOCIATION OF SHELL BOILERMAKERS for a term of two years. He succeeds Mr. A. L. Hale.

*

Mr. F. Matt Templeton, commercial director of ROTHWELL PLANT HEALTH, has been appointed managing director.

*

Mr. Robert L. Jenkins has been appointed managing director—Europe, of the automotive operations international division of ROCKWELL INTERNATIONAL CORPORATION, U.S. He was previously managing director—Latin America.

*

Mr. Maurice Thomas, previously group manager, engineering and management services, for the British Steel Corporation's alloy and stainless steels works group, has joined the DUNFORD HADFIELDS/BROWN BAYLEY GROUP as engineering director.

*

Mr. Philip Mellor has become managing director of PURNELL BOOK SERVICES, the British Printing Corporation's mail order book company, in succession to Mr. Michael Pateman, who has taken an overseas appointment. Mr. Peter Morrison becomes chairman of Purnell Book Services in addition to his other BPC publishing responsibilities.

*

Mr. Roy Dantzic, a director of Samuel Montagu and Co., has joined the Board of ALLIED INVESTMENTS. Mr. David Bucks, consequent upon his resignation from the Board of Samuel Montagu, has resigned with effect from the Allied Investments Board.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ANTONIO & THE NATIONAL DANCE COMPANY OF SPAIN. Evenings at 8. A breath-taking and colourful spectacle.

COVENT GARDEN. 240 1911. THE ROYAL OPERA

THEATRES

NEW LONDON, Drury Lane. 405 0072. Mon.-Thur. 8.0. Fri., Sat. 5.30. 8.30. THURBER "Hilarious." S. Standard. Selected and played by William Windom. "An oasis of laughter." Daily Mail. "Remarkable Tour de Force." H. Hobson. Reduced prices for 5.30 perf. Fri., Sat. STUDENTS and O.A.P. (All Perfs.).

CINEMAS

ABC 1 & 2. Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BOOKABLE. 1. THE GODFATHER PART II (X). Wk. & Su. 2.45 & 8.00. 2. MURDER ON THE ORIENT EXPRESS (A). Wk. & Sun. 2.30, 5.30 & 8.30.

CASINO. 437 6877. EARTHQUAKE (A). You'll FEEL it as well as see it in SENSURROUND. Sep. Perfs daily at 2.30 5.30 and 8.30. Seats bookable.

CURZON, Curzon Street. W.1. 499 3737. ALICE DOESN'T LIVE HERE ANYMORE (AA). Progs. at 1.55 (not Sun.) 4.00, 6.15, 8.30. Late Show Sat. 11 p.m.

EMPIRE. Leicester Square. THE DAY OF THE LOCUST (X). Progs. daily 2.00, 5.10, 8.15. Sep. perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. 930 5252. See! Hear! Feel! TOMMY (AA). The film event of the Year. Sep. perfs. 1.30, 4.30, 8.00. Sun. 4.30, 8.00. Late show Fri. and Sat. 11.15. All seats bookable.

ODEON HAYMARKET. (930 2738/2771) SHAMPOO (X). Sep. perfs. Wk. 1.15, 4.45, 8.15. Shampoo at 1.55, 5.30, 8.55. All seats bookable.

ODEON MARBLE ARCH. (723 2011 2). Streisand and Caan FUNNY LADY (A). Sep. perfs. Wk. 2.45, 8.00. All seats bookable.

ODEON LEICESTER SQUARE (930 6111) BRANNIGAN (A). Cont. progs. wk. 1.10, 3.05, 5.35, 8.10.

ODEON ST. MARTINS LANE (836 0691/ 1311). (Fully air cond.). Lelouch's AND NOW MY LOVE (X). Sep. perfs. Wk. 1.00, 4.30, 8.00. All seats bookable.

PLAZA 1, Lower Regent Street. All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. Progs. 2.45, 7.30.

PRINCE CHARLES. Leic. Sq. 437 8181. 9th Sensational Month! EMMANUELLE (X). Sep. Perfs. Daily (inc. Sun.) 2.45, 6.15, 9.00. Late Show 11.45 Fri. and Sat. Seats Bookable. Licensed Bar.

SCENE 2. Leic. Sq. (Wardour St.). 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. and Sat. 12.05. YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45. Late Show Fri. and Sat. 12.05.

SCENE 3. Leic. Sq. (Wardour St.). 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00, 5.20, 8.40. Late Show Fri. and Sat. 11.45. Seats Bookable—All perfs.

SCENE 4. Leic. Sq. (Wardour St.). 439 4470. 2nd Year. The Film Everybody's Talking About THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30. Box Office Open Dly. 10-8. Sun. 12-8. Seats bkble. all perfs.

WARNER WEST END. Leicester Square. Tel. 439 0791. 1. Ellen Burstyn, Kris Kristofferson ALICE DOESN'T LIVE HERE ANYMORE (AA). Cont. progs. Wk. 1.20, 3.35, 5.50, 8.10. 2. Robert Mitchum THE YAKUZA (AA). Cont. Progs. Wk. 1.30, 3.45, 6.00, 8.20. 3. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. perfs. 1.25, 4.40, 7.55. All seats bookable.

ART GALLERIES

ANTHROPOS' GALLERY. Specialists in Ethnic Arts. 7, Monmouth Street, Upper St. Martin's Lane, WC2. 01-836 0162. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed. 10-8. Thurs.-Sat. 10-12 midnight. Sun. 1-7.

MALL GALLERIES. The Mall, S.W.1. SUZANNE LUCAS RMS SWA. Paintings and Miniatures. Mon.-Fri. 10-5. Sats. 10-1. Until July 9. Adm. Free.

AGNEW GALLERY. 43, Old Bond Street, W.1. 01-629 6176. MASTER PAINTINGS—An exhibition of Recent Acquisitions. Until 4th July. Mon.-Fri. 9.30-5.30. Thurs. 9.30-7.00.

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. 20th Century British and European Paintings and large selection of Maritime Pictures. Realistic prices (Gallery Booklets £1. Profit in aid of R.N.L.I. R.N.I.B.).

ROYAL ACADEMY SUMMER EXHIBITION. Contemporary paintings, sculptures etc. Until 27 July. Wkdys. 10-6. Suns. 2-6. Adm. 65p (Mondays 30p) and the PRIVATE ROOMS AND COLLECTED TREASURES. Until 21st Oct. Wkdys. 10-6 (closed Tuesdays). Sun. 2-6. Adm. 50p. Students and pensioners half-price.

LUMLEY CAZALET. 24, Davies St., W.1. 01-499 5058. FRENCH PRINTMAKERS 1870-1910. Opens Tomorrow. Mon.-Fri. 10-6: Thurs. 10-7.

THACKERAY GALLERY. 18, Thackeray St., Kensington Sq., W.8. 01-937 5883. JOHN BRATBY. Until 11 July.

CLUBS

DISCREET Edwardian atmosphere, hours of friendly talkable girls. Superb floorshow every 20 minutes. Your venue for tonight's prestige entertaining from 9 p.m. THE GASLIGHT, 4 Duke of York Street, SW1. Tel. 930 1648.

EVE 189 Regent St., 734 0557. A la carte or All-in Menu. Spectacular Floor shows plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth and Friends.

GARGOYLE, 69 Dean Street, London W1. STRIPTEASE FLOORSHOW SEX ALIVE '75. Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6455.

CONCERTS

LOUIS ARMSTRONG ANNIVERSARY CONCERT. Royal Festival Hall. Fri. 4th July 8 p.m. "Wild Bill" Davison, Humphrey Lyttelton, Alex Welsh, National Youth Jazz Orchestra. Tickets £2.50-75p.

EXHIBITIONS

LOOT. Ex. of 2,000 pieces modern silver jewellery all under £50. Goldsmiths Hall, Foster Lane, EC2. 24 June until 12 July 10-5. Closed Sunday.

PERSONAL

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index sheds 1.57 after consolidation

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 1

MODERATE LOSSES were recorded on Wall Street to-day, when operators ignored bullish news on the economy and consolidated recent gains.

The close was above the worst, however. The Dow Jones Industrial Average finished 1.57 off at 877.42, after dipping 3.48 to 873.51, while the NYSE All Common Index shed 17 cents to $50.68, after $50.38. Losses led gains by 787-to-654, while the trading volume expanded 960,000 shares to 20.39m.

Brokers attributed the partial recovery to the report that U.S. Factory Goods Orders rose 0.3 per cent. in May, the second straight monthly increase, and inventories continued to decline steeply.

It was also reported during the session that May Construction Spending rose by 1.2 per cent., but the rise was due to inflation. The Construction Industry has been one of the most severely hit by the recession

Also in the economic news, Treasury Secretary William Simon raised the possibility of U.S. economic counter measures against Oil Producing Nations if they raise prices again this Autumn.

Oils were mixed as major companies raised petrol prices between one and three cents a gallon.

Honeywell were down $1¼ to $38⅛. Control Data $1⅛ to $20⅞, Sperry Rand $1⅞ to $47⅛, and Digital Equipment $3½ to $116½. NCR fell $2 to $34⅞.

IBN eased $½ to $208½—it announced the development of a new data entry terminal and said it is cutting purchase prices on some data processing equipment 10-15 per cent.

Ford Motor lost $1¼ to $40.

Chemicals and Steels eased, while Gold Mines were mixed.

A block of 110,900 shares of Uniroyal traded at $8⅞, with the issue closing at $8¾, off $⅛.

Marley gained $1⅞ to $36¼ on a proposed sale of Singer's water resources division to Marley. Singer firmed $⅛ to $15⅛.

Ryder Systems, the most active issue, put on $¼ to $8 on a turnover of 233,600 shares.

The American SE Market Value Index moved down 0.22 to 93.24, with declines outnumbering advances by 361 to 235.

CANADA—Markets were closed yesterday for Dominion Day.

OTHER MARKETS

Paris higher

The Bourse was generally higher yesterday. Encouraged by President Giscard d'Estaing's broadcast which looked forward to an economic recovery in France in the autumn.

Banks, Breweries, Foods, Electricals, Engineering and especially Motors, led by Peugeot and Ferodo, were all firmer.

Portfolios, Constructions and Stores were narrowly mixed, while Metals slipped back and Chemicals were mainly lower, although Rhone-Poulenc put on Frs.2.8 at 117.8.

Golds, Foreign Oils and Canadians were also firm, Americans were mixed, while Coppers were a little lower.

BRUSSELS — Mixed to slightly higher in quiet trading.

In mostly easier Steels, Arbed were off Frs.10 to 4,170 and Cockerill down Frs.10 to 1,110. Most Metals gained a little. Hoboken were up Frs.15 to 4,195. Among steady Oils, Petrofina put on Frs.10 to 4,890.

Electricals and Utilities eased. Interbrabant were down Frs.28 to 1,430. In mostly easier Holdings, Mosane slipped Frs.8 to 708.

U.S. shares firmed across the board, General Motors were up Frs.30 to 1,780, IBM Frs.110 to 7,910, ITT Frs.20 to 894, Boeing Frs.24 to 1,098, Westinghouse Frs.10 to 698 and Union Carbide Frs.30 to 2,245.

GERMANY—Shares closed at their day's highs on normal new-month operations, with active foreign buyers, particularly U.K. investors. Hopes that the Bundesbank would ease its credit policies and the recent improvement on Wall Street also influenced developments.

Domestic operators bought mainly in anticipation of upcoming dividend payments. Foreign interest centred on Siemens, the major Banks, and also Mannesmann, which reported unchanged five-month profit at its annual meeting. Mannesmann gained DM5 in a strong turnover. Siemens were up DM5.50 and Deutsche Bank rose DM5.

Reports that Volkswagen gained DM2.70 on reports that it is speeding plans to produce cars in the U.S.

Engineerings gained up to DM6, and Stores up to DM4.

On the Bond Market, Public issues shed up to DM0.25 although operators said underlying sentiment improved. The latest Federal Loan traded among Banks at ¾ per cent. discount.

AMSTERDAM—Broadly lower in moderate trading.

Among Internationals, Royal Dutch gained Fls.1 and Unilever Fls.0.50, but AKZO shed Fls.0.10 and Philips eased Fls.0.20.

Banks were steady. In Insurances, National Nederlanden gained Fls.0.60, while Ennia lost Fls.0.50.

Transportations were steady. Shipping Union rose Fls.1.

VIENNA—Mixed trend.

COPENHAGEN — Well maintained in quiet dealings. Banks and Communications were little changed, while Commodities and Shippings were slightly higher.

MILAN—Generally higher on some buying despite the unchanged political and economic uncertainty.

Bonds were steady in quiet dealings.

SWITZERLAND — Markets closed narrowly mixed in lacklustre trading, lacking new incentives and depressed by further news about the introduction of short time working in the Domestic Industry.

Leading Banks were barely changed. Among slightly irregular Financials, Juvena Bearer firmed, while Forbo 'A' and 'B' each eased. In mixed Insurances, Rueckversicherung Bearer and Zuerich Versicherung each improved.

OSLO—Bankings were steady, while insurances, industrials and shippings were all quiet.

HONG KONG was also closed for First Week Day in July.

TOKYO—Slightly higher following active trading. Volume 300m. (170m.) shares.

Trading Firms, Foodstuffs, pollution Control-Related issues, Banks, and some Housing-Related shares were promient gainers. Pharmaceuticals were also favoured on Foreign investors interest. Eisai rose Y33 to 638, and Fujiswa Pharmaceutical advanced Y29 to 760.

AUSTRALIA—Markets moved ahead, although there were some signs of easing in late trading.

BHP rose 4 cents to $A7.32, after $A7.40.

In Banking, Bank New South Wales shed 4 cents to $A6.36, but CBA and CBC each firmed a few cents.

Among a firm Retailing Group, Woolworths hardened to a new high for the year of $A1.

JOHANNESBURG—Gold shares were steady in a moderate turnover. There was little reaction to the U.S. gold auction ahead of the final result due yesterday afternoon.

Financial Minings were mixed, while Platinums were a few cents up and Coppers were 3 to 25 cents higher.

Industrials were steady.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
July 1	69.25	171.71	877.42	85.44	20,390
June 30	69.32	171.13	878.99	85.99	19,450
27	69.42	171.34	873.12	86.02	18,820
26	69.51	169.90	874.14	86.34	24,580
25	69.67	168.59	872.73	86.69	21,610
24	69.62	168.10	869.06	87.07	26,620
23	69.55	167.81	864.85	86.50	20,720
20	69.26	165.75	855.44	86.24	26,960
19	69.05	166.38	846.56	85.51	21,450
18	68.72	164.58	827.85	83.40	15,590
17	68.93	165.19	823.61	82.22	19,440
16	68.96	167.16	834.56	82.60	16,650
13	68.76	167.53	824.47	81.90	16,300
12	68.56	167.69	813.31	81.61	15,870
11	—	169.21	824.85	81.51	18,230
10	68.27	168.35	822.12	81.80	21,150
9	68.04	170.07	850.10	82.21	30,670
1975 High	69.82 (4/4)	174.19 (5/6)	878.99 (30/6)	87.07 (24/6)	—
Low	66.16 (3/1)	148.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	278.68 (7/2/69)	1051.70 (11/1/73)	165.32 (30/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (22/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

June 27	June 13	June 28, 1974
4.43	4.69	4.60

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	July 1	June 30	June 27	June 26	June 25
50.85 (30/6)	37.06 (2/1)	50.68	50.85	50.62	50.62	50.51

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,546	654	787	405

	July 1	June 30	June 27	June 26	June 25
New Highs	148	195	148	207	[illegible]
Lows	1	nil	nil	1	1

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	July 1	June 30	June 27	June 26	June 25
93.46 (30/6)	62.20 (2/1)	93.24	93.46	93.00	92.70	92.55
Volume (000's)		2,690	3,890	5,170	3,550	3,646

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
July 1	106.46	94.95
June 30	106.98	95.19
27	106.20	94.81
26	106.38	94.61
25	106.09	94.62
24	105.54	94.19
23	104.98	93.62
1975 High	106.98 (30/6)	95.19 (30/6)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	June 26 1975	June 19 1975	June 28 1974
Ind. Ord. yield pc	3.60	3.74	3.96
Ind. Ord. p/e ratio	11.59	10.99	10.72
Long-term Govt. Bds. per cent.	8.74	8.78	8.60

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Ryder Systems	[illegible]	8	+¼
Southern Co.	172,400	13⅞	—
Atlas Corpn.	171,600	4⅛	—
Texaco	160,100	26⅜	−⅛
Uniroyal	152,600	8¾	−⅛
UOP	150,000	15⅝	+1⅛
Amer. Tel. and Tel.	145,000	51⅛	+⅛
General Motors	139,300	45⅞	−⅛
Cont. Son. West.	131,200	17	—
Amer. Medicorp.	136,900	6⅛	+⅛

TORONTO

INDUSTRIAL INDEX

June 30	June 27	1975 High	1975 Low
199.36	199.43	199.45 (27/6)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 30	June 27	1975 High	1975 Low
201.22	201.05	201.21 (30/6)	150.85 (3/1)

COMBINED INDEX

June 30	June 27	1975 High	1975 Low
193.64	193.70	193.70 (27/6)	153.65 (3/1)

JOHANNESBURG

	July 1	June 30	1975 High	1975 Low
Industrials	222.2	221.6	222.2 (1/7)	183.2 (23/1)
Golds	334.4	334.4	379.1 (2/1)	293.3 (13/4)

1958=100. Source: Rand Daily Mail. *1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	June 26	June 19	June 12
On Dividends	7.36	7.35	7.11
On Earnings	14.12	14.15	13.67

SYDNEY ALL ORD. INDEX

July 1	June 30	High 1975	Low 1975
372.66	370.19	[illegible]	[illegible]

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

July 1	June 30	High 1975	Low 1975
332.65	332.51	332.96 (22/5)	268.94 (10/1)

HONG KONG INDEX •

June 30	June 27	High 1975	Low 1975
321.20	325.09	341.57 (19/6)	160.48 (9/1)

SINGAPORE INDEX §

July 1	June 27	High 1975	Low 1975
225.32	224.86	250.69 (11/3)	163.26 (7/1)

EUROPE

	July 1	Previous	1975 High	1975 Low
Belg'm (a)	108.50	108.57	111.81 (16/6)	90.07 (6/1)
Denm'k (b)	89.04	88.76	92.80 (15/6)	75.06 (15/1)
France (d)	65.0	68.4	72.5 (25/4)	51.30 (2/1)
Germ'y (e)	668.5	666.9	726.1 (15/4)	575.5 (2/1)
Holland (f)	98.9	98.6	107.6 (6/5)	83.8 (2/1)
Italy (g)	88.21	87.66	105.96 (21/2)	86.98 (6/1)
Spain (h)	97.60	97.36	110.96 (22/4)	96.64 (19/6)
Sweden (k)	377.42	378.22	380.18 (27/6)	310.56 (8/1)
Switz'rl'd (m)	290.8	290.1	290.1 (30/6)	236.3 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam industrial 1970. (g) Milan 1972. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. • Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Pound wavers

Sterling again came under pressure in the foreign exchange market yesterday, touching record low levels on a weighted average basis. The Bank of England's calculation of its weighted loss since the Washington Currency Agreement of December, 1971 narrowed on the day, to 27.8 per cent., from the overnight 28.9 per cent., helped by the official economic statement, but in early dealings was at a weighted loss of 29.2 per cent. and at noon at one of 28.8 per cent. Business was good. In terms of the U.S. dollar, the pound opened at about $2.18, and reached a day's low of $2.1700-2.120 in early dealings, but recovered to $2.2130-2.2140 at one stage in the afternoon.

The U.S. dollar continued to make ground against major units in general, with its weighted loss against 14 currencies since the Washington Agreement (as measured on noon rates in New York by Morgan Guranty narrowing to 5.83 per cent., from 5.88 per cent., while sterling's depreciation on a similar basis narrowed to 34.16 per cent., from 35.60 per cent., and the French franc's (similar) appreciation fell to 6.74 per cent., from 7.01 per cent.

Gold rose $1.20 an ounce on balance in the London market, to $165¼-167¾, in moderate business, with the U.S. gold auction of 0.5m. ounces of official stocks coming too late to have its full affect on dealings. Business was moderate.

The Krügerrand premium over its gold content narrowed in domestic dealings to 10¾ per cent. from 13¾ per cent., while in international dealings its premium ended at 3 per cent., against 3½ per cent.

Sterling was shown to have suffered a further retreat in the international money market yesterday, when Bank of England figures indicated that the total amount of sterling certificates of deposit in issue as having risen £45.7m. between mid-April and mid-May, to £3.887bn., while the volume of London dollar certificates of deposits in issue rose $283m. to $11.478bn.

The variation between secondary market holdings of sterling and dollar certificates also showed a wide divergence of movement, with secondary holders of sterling reducing their investment by £27.6m. to £493.5m., while secondary market holders of dollar certificates increased their investments by $274.3m. to $628.6m.

EXCHANGE CROSS-RATES

July 1	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.361-363	58.18-34	6.41-43	5.16-17	96.350-365	94.08-095
N. York	42.29-32	—	24.62-64	2.7225-50	2.202 204	40.72-75	39.80-52
Paris	171.675-075	4.060-062	—	1.4426-4676	8.8275-9125	165.25-65	161.40 53
Brussels	14.97-15.05	36.38-43	8.70-75	—	77.58-78	14.42-48	14.07 15
London	5.22 23	2.2095-2105	8.96⅛-97⅛	78.50-60	—	5.42 43	5.54⅛-55⅛
Am'srdam	103.80 65	2.4492-4517	65.435-485	6.9185 9235	3.3715 65	—	97.605-655
Zurich	106.28-43	2.51-511	61.81-88	7.08-0825	5.545-5625	102.40-54	—

U.S.$ in Montreal. U.S. $=102.98-103.00 Canadian cents
Canadian $ in New York. $C1=97.10-14 U.S. cents. U.S. $ in Milan 631.70.
Sterling in Milan 1334.00.

EURO-CURRENCY INTEREST RATES*

July 1 1975	Sterling	U.S.Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
†Short term	7¾-8¼	5-6⅛	4⅞-5⅞	4⅞-5⅛	4⅞-5⅛	2-2⅛
7 days notice	7¾-8⅛	5⅛-5⅝	5⅛-6⅛	4⅞-5⅛	4⅞-5⅛	1¾-2
Month	8⅞-9⅞	5⅝-6⅛	6⅛-7	5⅛-5⅞	4⅞-4⅞	3⅜-3⅝
Three months	10⅞-11⅛	6⅝-7	7⅛-7⅛	5⅜ 5⅞	4⅞-4⅞	3⅞-4⅛
Six months	11-12	7⅛-7⅝	7⅞-8	4⅞-5⅛	5⅛-5⅝	4⅞-5⅛
One Year	12⅛-13	7⅝-7⅞	8⅛-8⅛	5-6⅛	6⅛-6⅛	5⅛-5⅝

Euro-French deposit rate short-term 8½-9 per cent.; seven days' notice 8½-9 per cent.; one-month 9⅛-9⅜ per cent.; three months 9⅞-10⅛ per cent.; six months 10⅛-10⅝ per cent.; one year 10⅛-10⅝ per cent.

Longer-term Eurodollar deposits: two years 8⅛-8⅝ per cent.; three years 8⅛-8⅝ per cent.; four years 8⅛-8⅝ per cent.; five years 8⅛-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6⅛-5⅞ per cent.; three months 6¹³⁄₁₆-6⅝ per cent.; six months 7⁵⁄₁₆-7³⁄₁₆ per cent.; one year 7⅝-7¹¹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

GOLD MARKET

	July 1 1975	June 30 1975
Gold Bullion (a fine ounce) Close	$165¼-167¾	$165.00-165.80
Opening	$166¾-167¾	$165½-166½
Morning fixing	$167.00 (£76.409)	$166.05 (£75.174)
Afternoon fixing	$166.50 (£75.674)	$166.25 (£76.349)
Gold coins domestically: Krugerrand	$183½-185½ (£84-84)	$188½-190½ (£86¼-87¼)
New sov'r'gns	$55½-57½ (£25-26)	$58½-60½ (£26¾-27¾)
Old sov'r'gns	$55½-57½ (£25-26)	$57½-59½ (£26½-27½)
Gold coins internationally: Krugerrand	$170½-172½ (£77-78)	$170½-172½ (£78-80)
New sov'r'gns	$51-52 (£23-23½)	$50½-51½ (£23-23½)
Old Sov'r'gns	$51-52 (£23-23½)	$50½-51½ (£23-23½)
$20 Eagles	$245-250	$245-250
$10 Eagles	$120-125	$120-125
$5 Eagles	$88-93	$88-93

FOREIGN EXCHANGES

July 1 1975	Bank Rates %	Market Rates: Day's spread	Close
New York	6	2.1700-2.2140	2.2095-2.2105
Montreal	8½	2.2540-2.2785	2.2740-2.2750
Amsterdam	6	5.31-5.44	5.42-5.43
†Brussels	6½	76.60-78.60	78.50-78.50
Copenh'gen	8	11.95-12.20	12.18-12.20
Frankfurt	4½	5.11-5.23	5.22-5.23
Lisbon	8½	53.10-54.30	54.00-54.25
Madrid	†7	121.80-124.30	124.00-124.20
Milan	7	1,378-1,398	1,396-1,398
Oslo	5½	10.75-10.96	10.94-10.96
Paris	9½	8.76-8.98	8.96½-8.97½
Stockholm	7	8.56-8.74	8.71½-8.73½
Tokyo	6	640-658	653-656
Vienna	6	36.10-36.90	36.70-36.90
Zurich	4½	5.44-5.56	5.54½-5.55½

†Basic discount. ‡Rates given are for convertible francs; closing financial franc $1.25-$1.30.

OTHER MARKETS

		‡Notes	Rates
Argentina	•57.42-57.82	Argentina	148-178
Australia	1.6554-1.6752	Austria	36.37½
Brazil	17.69-17.89	Belgium	78½-81½
Finland	7.96-7.98	Brazil	20.25
Greece	65.019-68.640	Canada	2.24-2.27
H'ngKong	10.900-10.925	Denmark	11.85-12.10
Iran	145-145	France	8.70-8.95
Kuwait	0.615-0.625	Germany	5.05-5.25
Luxemb'g	78.60-78.50	Greece	68-68
Malaysia	5.111-5.128	Italy	1370-1420
N. Zealand	1.6996-1.7194	Japan	660-690
Saudi Arab.	7.50-7.85	Neth'l'ds	6.38-5.48
Singapore	5.060-5.095	Norway	10.65-10.[illegible]
S. African	1.5497-1.5718	Portugal	52¼-54¼
U.S.— Canada C$1= U.S. cents	97.16-97.18	Spain	118-122
		Switz'land	5.40-5.60
		U.S.	2.19-2.21
		Yugoslavia	38.58

‡ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. • Rate given is the commercial rate: financial rate 66.34-66.54.

FORWARD RATES

	One Month	Three months
New York	0.65-0.55 c.pm	1.87-1.77 c.pm
Montreal	0.55-0.45 c.pm	1.80-1.70 c.pm
Amst'dam	2⅝-1⅝ c.pm	8½-7½ c.pm
Brussels	20 c.pm-par	70-60 c.pm
Cop'n'hgn	3 ore pm-par	10-7 ore pm
Frankfurt	2½-1½ pf. pm	8-7 pf pm
Lisbon	10-200 c. dis	20c.pm-250c.dis
Milan	par-3 lire dis	1-4 lire dis
Oslo	2 ore pm-par	6-4 ore pm
Paris	1 c.pm-1 c.dis	3-1 c.pm
Stockholm	2 ore pm-par	4-2 ore pm
Vienna	25 gro pm-par	50-20 gro pm
Zurich	3-2 c. pm	8½-7½ c. pm

Six-month forward U.S. dollar 4.25-4.15c pm, and 12-month 8.55-8.40c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—93¾% (103¾%).

NEW YORK

Stock	July 1	June 30
Addressograph	8¼	8⅜
Aetna Life & Cas.	27⅛	27⅜
[illegible]	[illegible]	[illegible]

Stock	July 1	June 30
Corning Glass	50¼	50⅞
CPC Int'nation'l	46⅞	46⅛
Crane	48¼	49
Crocker Nat.C.P.	25⅛	25⅛
Crown Zellerbach	38⅞	39⅛
[illegible]	[illegible]	[illegible]

Stock	July 1	June 30
Johns Manville	25¼	25
Johnson Johnson	96¼	97⅛
Johnson Control	13¼	13⅛
Joy Manufacturing	32¼	32⅛
[illegible]	[illegible]	[illegible]

Stock	July 1	June 30
Rapid American	6	6
Rathorn	56⅛	57⅛
RCA	20⅛	20⅛
Reading	3⅛	3⅛
[illegible]	[illegible]	[illegible]

Stock	July 1	June 30
Zenith Radio	28	28⅛
Chile 3% 1993	†83¼	†82⅛
Peru 3% 1993	†95	†95
U.S.Treas 6⅞% 1974	†99.30	†99.30
[illegible]	[illegible]	[illegible]

CANADA

[illegible]

GERMANY ♦

July 1	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	69.7	+0.9	—	—
Allianz Versich.	464	+4	17	1.8
B.M.W.	224.5	+3.5	14	3.1
BASF	129.1	+1.6	17	6.6
Bayer	110	+0.1	17	7.7
Bayer Hypo	306	+1	18	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

July 1	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	97	−0.5	16	3.7
Akzo (Fl.20)	36	−0.1	20	1.1
Algem Bnk(Fl.100)	326	+0.5	20	6.1
AMAS NV (Fl.10)	12.1	+0.1	10	8.5
AMBV (Fl.50)	55.5	+0.5	30	6.5
AmroBank (Fl.20)	75	−0.5	20	5.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

July 1	Aust. $	+ or −
Acrow Australia	†0.60	......
Adelaide Brighton Cem't 50c	†0.65	+0.01
Allied Mang.Tndg. Indus $1	3.60	......
Ampol Exploration	0.55	......
Ampol Petroleum	0.46	......
Assoc. Minerals	2.45	......
Assoc. Pulp Paper $1	†0.85	−0.01
[illegible]	[illegible]	[illegible]

VIENNA

July 1	Price %	+ or −	Div. %	Yld. %
Creditanstalt	480	......	10	2.1
Perimooser	366	......	12	3.3
Selecta	761	+1	48	6.4
Semperit	182	+1	[illegible]	2.3
Steyr Daimler	149	−1	9	6.1
Veit Magnesit	373xr	+3	22	5.9

JOHANNESBURG

[illegible]

PARIS

[illegible]

TOKYO ¶

[illegible]

MILAN

[illegible]

STOCKHOLM

[illegible]

BRUSSELS

[illegible]

SWITZERLAND ●

[illegible]

OSLO ♦

[illegible]

SPAIN ♥

[illegible]

COPENHAGEN

[illegible]

NOTES: [illegible]

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FARMING AND RAW MATERIALS

Surplus of cocoa estimated

By Richard Mooney

FORECASTS OF a substantial surplus of cocoa in the current season have been confirmed, according to the latest Gill and Duffus market report. The 1974-75 world surplus is now forecast at 106,000 tons, against 102,000 tons in the report published at the beginning of May.

Gill and Duffus points out, however, that the bulk of surplus supplies are still in producing countries, "with a large quantity yet to be harvested in Brazil and substantial tonnages still unshipped, and to a lesser extent unsold, from Nigeria." The report also notes that a number of European manufacturers are operating on extremely short cover, "and there are signs of consistent demand for nearby cocoa."

Today's report puts 1974-75 production at 1,477,000 tons, 5,000 tons below the May estimate, and 1975 grindings at 1,366,000, down 3,000 on the May figure. This would appear to imply a reduction in the forecast surplus, but a change in the basis of calculating seasonal adjustments for grindings has brought a sharper cut in the adjusted estimate for grindings in 1975.

Fall in U.K. beef cattle prices accelerates

BY PETER BULLEN

LIVESTOCK PRICES dropped steeply again in U.K. markets yesterday. This will result in record variable deficiency payments being made to beef producers this week and is raising the possibility of British beef being sold into intervention soon.

The drop in beef cattle prices, which began more than three weeks ago, has accelerated this week. On Monday, the Meat and Livestock Commission's U.K. average fatstock price was £19.89 a live cwt, down 77p on the week. Yesterday the price fell still further, to £19.44—down £1.15 on the week.

For consumers, the continued slide of beef prices—coinciding with an easing in the lamb market—will ensure that meat prices should continue to fall in the shops in the immediate future. "The outlook for the housewife is very rosy indeed," commented a spokesman for retail butchers last night.

With the average market price for beef cattle being estimated at £19.23 a live cwt. this week, producers will be receiving a variable deficiency payment of about £1.97, plus the EEC headage payment of £1.55, in order to bring their total return up to the target price for the week of £22.75.

Meat marketing experts estimate, however, that with market prices at present levels — and declining — it may soon be profitable for buyers to sell into intervention. They might do this by putting only forequarters into intervention, which are a drug on the market at present, while hindquarters are sold in the usual way. Selling into intervention is thought to be even more likely in Northern Ireland where the average fatstock price is down to about £16 a cwt. this week.

Dry weather

Several factors are contributing to the steep drop in prices. The usual seasonal decline has been exaggerated this year by the long spell of hot weather which always depresses demand. At the same time cattle numbers have risen more than usual as the hot, dry weather is causing severe feeding problems on many livestock farms where the grass has just stopped growing for lack of rain.

No stocks of feed are left after a disastrously long, wet spring. little grazing is available now and smaller than usual cuts of grass are being taken for silage and hay for storing for next winter. As a result, livestock farmers are marketing as many cattle and sheep as possible.

With the French market closed to U.K. lamb exports at present, prospects of continuing high shipments of New Zealand lamb arriving has brought a decline in English lamb prices—yesterday's U.K. average was down 1.9p to 33.7p a lb.—which in turn helps to depress beef prices.

Another factor depressing the beef price is that some of the cattle being marketed have not been properly "finished" and therefore fetch lower prices. A higher number of heifers is also marketed at this time of the year, which again depresses the average price.

Pig numbers are still low, but the lower beef and lamb prices will probably prevent any further rise in retail pork prices.

EEC import ban on eggs unlikely

By Robin Reeves

BRUSSELS, July 1.

BRITAIN'S REQUEST for emergency EEC action to deal with the collapse of the U.K. egg market will be considered by the European Commission's 13-man executive here to-morrow.

Mr. Fred Peart, the U.K. Minister of Agriculture, suggested import controls in his letter to the Commission calling for protective measures for Britain's egg producers, under Article 135 of the Accession Treaty, but officials here say the Commission is most unlikely to agree to an outright import ban.

Something less drastic, such as an adjustment in the compensatory amounts which act as a subsidy on U.K. egg imports, is thought to be a more likely course. This present subsidy amounts to over 3p a dozen.

Whatever the measures decided, however, they should offer some relief to hard pressed egg producers. Although Mr. Pierre Lardinois, the Commissioner responsible for agriculture, has stated on several occasions that British egg imports represent no more than the adjustment of the EEC eggs trade to Community enlargement, the Commission is, in practice, bound to offer some help to Mr. Peart in his political difficulties.

ROYAL SHOW

Dangers of becoming too commercialised

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

"THIS SHOW is becoming too commercialised. Nothing here is farming—it's all foreigners or town stuff." My informant, a hot and angry farmer panting round the ground, was hardly being fair. There is no immediate danger of the Royal Show becoming as distant from farming as the Archers; but it is beginning to show signs of it.

If attendance is the criterion, the formula is certainly paying off. Attendance on the first two days is nearly 10,000 up on last year and the ground is uncomfortably crowded, in spite of the expense of entry. It could be that the Society's aim of 200,000 visitors will be met this year.

How much of this number will be made up of farmers it is impossible to say, but townspeople may be misled by this picture of British farming.

They would find an international section — including Wales—full of items in direct competition with those produced by British farmers and manufacturers, together with a very well presented selection of food. Where British foods are on show, they are generally unremarkable.

Why should these hard-headed foreigners go to all this trouble to invade a market whose returns must be constantly shrinking because of the falling pound?

Currency difficulties are certainly troubling individual importers and at the same time encouraging British manufacturers and exporters of machinery. Some of the smaller companies told me that, for the first time for years, they were receiving inquiries here from foreign buyers, encouraged by the cheapness of everything in relation to their own currencies.

Cheapness is not apparent to the English farmer, however. Few exhibitors showed the actual prices, possibly because they may not be able to hold them. One even told me that he had no figures left. But in general the concealing of prices creates a poor impression.

On strictly farming subjects there is a demonstration area of all activities, but it requires an endurance test of a walk through the crowds to reach it. Fortunately this demonstration area is open throughout the year and progress can be observed in comfort at other times; it is probably one of the most useful developments the Society has undertaken.

The livestock, panting and over-fat in many cases, were being judged yesterday. Though I am a livestock farmer, I can arouse little interest in live animal competitions; they form no real basis for estimating commercial potential of the stock and have as much relevance to present day farming as the Miss England contest has to the genetic improvement of the British people.

The Royal Agricultural Society has gone a long way since it settled here 12 years ago. In its battle for survival the Show's character has changed; almost anyone can take a stall to sell anything, from tights to antiques. Some of the feed and machinery companies have withdrawn their support and much of the old exclusiveness has gone.

Those entitled to enter by the present formula may not be any more representative of farming than the Show itself. But if the attendance and enjoyment of the majority is sustained, the show — however commercialised — can be called a success.

First London quote for white sugar

By Our Commodities Staff

THE CURRENT differential between refined and raw sugar on the world market was put at about £30 a ton yesterday with the first quotation of the London daily price for white sugar. The LDP (white) was fixed at £185 a ton against the raw price of £155 a ton.

The new quotation has begun in preparation for the opening on July 15 of the London white sugar conversion market, which aims to fill the gap in hedging facilities for white sugar left when dealing on the Paris sugar market stopped last December.

On the London terminal market, meanwhile, the October position closed £3.375 lower, at £143.375 a ton, after reaching £161 a ton at one stage. Though the late decline was attributed to the improved performance of sterling, dealers felt that currency considerations had played little part in the earlier rise. They said reports that a severe drought in the Dominican Republic was expected to continue well into July were mainly responsible for the rise, though this factor had been partly offset by a U.S. Department of Agriculture estimate of a sharp increase in U.S. sugar production this year.

Doubts over copper price move

BY JOHN EDWARDS, COMMODITIES EDITOR

A MOVE by Chile to suspend pricing facilities for copper, as a result of the fall in the value of sterling, is likely to be reversed to-day, market sources said last night. It is understood that in supply contracts, the Chileans have a right to suspend pricing facilities if a currency deteriorates in value by more than 2.5 per cent in five market days—a situation that has just occurred.

Consumers were quick to point out, however, that they would be unwilling to buy copper if they were unable to know the price and if the "back" pricing facility was withdrawn. It was emphasised that London Metal Exchange prices did reflect changes in the value of sterling, as has been demonstrated in the past week or so.

Cash wirebars yesterday lost £11, to £545.25 a tonne, following the stronger tone in sterling, but prices are still well up on a week ago.

Meanwhile, a warning that many copper producers are already finding difficulty in covering costs and could be pushed out of production by further price decline has been issued by the Council of Copper Exporting Countries (Cipec) in its latest quarterly report.

The report notes, however, that the copper price rose in the first part of 1975, probably under the influence of Cipec's production cuts, whereas the price of other non-ferrous metals continued to fall.

Cipec claims that its action kept copper prices on the LME at an average of 58 cents per pound in the first-quarter of 1975. This contrasted with forecasts last autumn that prices would fall to 52 cents per pound, or even lower, over this period if producers took no action.

The report says it is still too early to measure exactly the impact of the latest cutbacks in output and consumption will have to rise considerably before a real market recovery takes place.

Improvement will be slow until some means is found of neutralising the effects of overhanging stocks of refined copper, notably in LME warehouses and Japan, it adds.

Grain crop prospects

BY OUR COMMODITIES STAFF

THE LATEST U.S. Department of Agriculture estimates on forthcoming grain crops this season had little impact on market prices yesterday, since they were largely in line with private forecasts predicting sizeable output increases this year.

Encouraging crop prospects were also reported from Canada, but there is increasing concern about drought affecting harvests in the Soviet Union and Australia, while the long dry spell is also raising some doubts about European grain crop prospects this year.

London grain prices have hardened recently, mainly on expectations of the "green pound" being revalued in view of the fall in the value of sterling.

This possibility is causing some difficulty to grain traders and consumers seeking to obtain supplies ahead, especially with the new EEC intervention levels effective from August 1.

U.K. nickel to cost more

By Our Commodities Editor

A RISE in the U.K. price of nickel from July 1 was announced yesterday, as a result of the fall in the value of sterling during May. International Nickel increased its U.K. price for nickel pellets and electrolytic nickel, to £1,957.5 a tonne, compared with £1,917 in June. Entores announced similar increases for Le Nickel rondelles grade A and ferro-nickel.

The new prices are based on the average sterling/dollar parity rate in May, and it can therefore be expected that there will be a considerable further rise next month, following the decline of sterling in June.

Because of this time-lag, it is estimated that the U.K. producer price for nickel is now competitive with the London free market rates of between $1.85-$1.95 per lb. However, there are strong rumours of a producer price increase once the new labour contracts for Canadian nickel workers are settled.

Milk to rise by 1p by Christmas

A warning that retail milk prices would rise by at least 1p a pint before Christmas was sounded by the Milk Marketing Board chairman, Sir Richard Trehane, yesterday.

"Some people believe that it will go up by 2p a pint, but I don't think it will," he told a Press conference at the Royal Show. A 2p rise would be a 33 per cent. increase "and that would be too much in my view—to rough on the public," he said.

Three factors were involved: an increase in the price paid to producers, already in the pipeline; increased payments to distributors and an expected cut in the £1m.-a-day subsidy on milk and dairy products.

Sir Richard said that the long drought was drying up grazing and was causing a sharp fall in milk production. Figures issued by the Board showed that production on farms in England and Wales for the week ended June 21, was 1.8 per cent. lower than the comparable week last year.

EEC OLIVE OIL MOVE WORRIES TUNISIA

TUNIS, July 1.

Tunisian Foreign Minister, Habib Chatty, and Finance Minister, Abdelaziz Lasram, received the ambassadors of six EEC countries to express their concern over an EEC decision to fix a threshold price for imported olive oil, Government sources said.

Tunisia has complained before to Italy about the decision which, it says, effectively blocks Tunisian exports of olive oil to the EEC.

Reuter

U.S. STOCKPILE SELLS TUNGSTEN

WASHINGTON, July 1.

U.S. STOCKPILE authorities sold 497,806 lbs (W content) of tungsten ores and concentrates from bids opened on June 24.

Of the total sold, 156,916 lbs were awarded for domestic use only at prices ranging from $76.66 to $77.317 per short ton unit, and 340,890 lbs for export use only at the one price of $76.827.

The stockpile is again offering 500,000 lbs of tungsten for sale, with 375,000 lbs for domestic use only and 125,000 lbs for export.

Reuter

Australian wool exports

MELBOURNE, July 1.

AUSTRALIAN RAW wool exports in the nine months ended March, fell to 379.3m. kilos, from 424.1m. kilos in the July/March period of 1973/74, the Australian Wool Corporation said in its monthly bulletin.

The major reduction in exports was in sales to Japan, the nine-month level being 99.8m. kilos, against 158.2m. in the previous corresponding period.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

The recovery in sterling following the U.K. Chancellor's anti-inflationary measures announced yesterday caused a reaction in prices on the London Metal Exchange. Copper had opened higher with forward metal trading at £578 in pre-market dealings but then fell back to £566 owing to profit-taking. A higher than expected opening to the U.S. market caused a rally here to £570 but the late firmness of sterling then prompted a fresh setback here to £562 before the price ended £567 on the afternoon Kerb. News that the Chileans had temporarily suspended pricing to customers had little market impact. Turnover: 14,625 tonnes. [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	549.5-50.5	+1.75	545-.5	+11
3 months	568.5-9	+1.25	564-.5	-10
Settlem'nt	550.5	+2	—	......
Cathodes				
Cash	537-8	+1	533-5	-10
3 months	555.5-6	+3	552-3	-8.75
Settlem'nt	538	-1	—	......
U.S. Smt.	—	......	*60-63.7	......

TIN—Easier. The further setback in Penang overnight coupled with the recovery of sterling pushed prices lower. Profit-taking and hedge selling took forward metal down to £3,074 and cash metal traded at £3,080 before both prices ended marginally higher on the afternoon Kerb. There was no sign of any buying on behalf of the buffer stock. Turnover: 785 tonnes. [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3095-100	-18	3082-4	-31.5
3 months	3085-88	-22.5	3077-80	-27.5
Settlem't	3100	-16	—	......
Standard				
Cash	3095-100	-18	3082-4	-30.5
3 months	3085-8	-22.5	3077-80	-27.5
Settlem't	3100	-16	—	......
Straits E.	†2925	-4	—	......
New York	—	......	*341.25	-7.25

LEAD—Gave ground in line with the general trend, profit-taking stale-bull liquidation lowering prices. Turnover: 2,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	160-.5	-6.25	160.5-2	-5.75
3 months	165.5-6.5	-8.75	166-.5	-5.75
Settlem't	160.5	-6.5	—	......
N.Y. Spot	—	......	19-22¼	......

ZINC—Closed lower. The firm tone of sterling prompted profit-taking and pushed prices lower. Expectations of substantial arrivals of metal in the next few weeks also dampened sentiment and cash metal fell to around £325 before there was any sign of influential buying on behalf of producer interests. Turnover: 3,030 tonnes. [illegible]

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	325.5-.75	-4.125	325.5-6	-1.25
3 months	318-.5	-4.5	316.5-7.5	-4.75
Settlem't	325.75	-4.25	—	......
Prm. West	—	......	*38½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at [illegible]. [illegible]

SILVER

Silver was fixed 1.4p an ounce higher for spot delivery in the London bullion market yesterday, at 209.6p. U.S. cent equivalents of the fixing prices were: spot 209.6c, up 1.2c; three-month 215.0c, up 1.4c; and 6-month 221.2c, up 1.6c; and 12-month 235.9c, up 1.7c. Business was moderate. The spot price opened at 211.5p-212.5p (459.5c-462.0c), and touched 204.5p-205.5p (452c-454.5c) in the afternoon, before ending at 208p-209p (453.0c-455.5c), against the previous 208.5p-209.5p (457.5c-460.5c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	209.6p	+1.4	206.45p	+2.9
3 months	215p	+1.4	211.7p	-2.7
6 months	221.2p	+1.6	—	......
7 months	—	......	219.5p	-2.5
12 months	235.9p	+1.3	—	......

LME—Turnover 156 (206) lots of 10,000 ozs. Morning: Cash 210.4; three months 215.2, 15.3, 15.4, 15.5. Kerbs: Three months 215.5, 15.4. Afternoon: Three months 213.5, 13.2, 13.0, 12.5, 11.8, 11.5, 11.6. Kerbs: Three months 211.5, 11.2, 11.0.

FREIGHTS

DRY CARGO—Week-end improvement in volume of chartering was not maintained and many sections remained virtually idle. A sharp drop in demand for early grain tonnage was noted on N. European account with the result N. American chartering was negligible. However, cargoes of grain were fixed overnight from U.S. Gulf to Constanza at $8.25 f.i.o. for July and from Great Lakes to Algeria at $30.50 f.i.o. for July. S. African maize shippers covered a cargo to W. Italy at $12.50 free discharge for July. Miscellaneous chartering included steel plates and coils from Genoa to Houston and/or Los Angeles at $22.50 f.i.o. for July. Time charterers fixed a vessel of 22,925 long d.w.t. for a voyage from Brazil to Spain at $4.850 daily, mid-July, and a vessel of 22,700 long d.w.t. for a W. Africa round voyage [illegible]

OIL TANKERS—Renewed inquiry with a continuing slightly firmer tone in rates, but with no important fixtures from the Persian Gulf. [illegible]

COCOA

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

GRAINS

[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

GRIMSBY FISH—Supply fair, demand good. Prices per stone at ship's side, unprocessed: Shelf cod £1.60-£2.50, Codlings £1.50-£2.20. Large Haddocks £2.40-£2.70, Medium Haddocks £2.00-£2.40, Small Haddocks £1.50-£2.00. Large Plaice £3.20, Medium Plaice £3.20, Small Plaice £2.60, Skinned Dogfish £4.50, Medium Dogfish £3.50, Coalfish 90p. Rock £1.20-£1.50, Lemon Soles £3.50, Reds 80p-£1.10.

Brazil to start soyabean support plan

PORTO ALEGRE, July 1.

THE BRAZILIAN Government had confirmed its plan to start buying 1m. tonnes of soyabeans from producers this week at 75 cruzeiros per 60-kilo bag, said a spokesman for the Federation of Wheat and Soyabean Co-operatives (Fecotrigo).

Member co-operatives of Fecotrigo had agreed to the Government's plan, put forward by Banco do Brasil's director for rural credit, Sr. Dinar Gigante, at a meeting here on June 27.

Producers would be able to buy back the beans later at the purchase price, plus interest and storage costs, he said.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

FINANCIAL TIMES

July 1	June 30	Month ago	Year ago
156.42	159.15	161.74	207.34

(Base: July 1, 1952=100)

REUTER'S

July 1	June 30	Month ago	Year ago
1072.6	1069.1	1060.9	1255.5

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 1	June 30	Month ago	Year ago
Spot	268.11	270.69	268.96	356.83
Futures	244.94	247.79	245.81	318.23

(Average 1924-25-26=100)

MOODY'S

Moody's	July 1	June 30	Month ago	Year ago
Spl'e Commod'ty	736.9	739.7	707.7	852.2

(Dec. 31, 1931=100)

HIDES—Birmingham. Fairly good clearance. Second clear ox 31-35.5 kilos 23.5p per kilo; 26-30.5 kilos 24.0p; 22-25.5 kilos 26.4p. Light cows 23p. No calf offered.

COPRA—Philippines—July and August, $235 per tonne c.i.f. North Euro ports, resellers.

U.S. Markets

Maize up following crop report

NEW YORK, July 1.

SILVER declined in featureless trading while copper edged lower on renewed trade selling. Trade selling forced sugar and cocoa lower. Failure of the beans and wheat to hold earlier gains due to a constructive USDA crop production estimate prompted local and Commission House selling. Maize edged higher in response to the report, Bache reports.

Cocoa—Ghana spot 65½ (66½). Bahia spot 52 (52½). July 45.29 (49.00), Sept. 43.70 (44.40), Dec. 42.25, March 42.38, May 42.96, July 43.09, Sept. 43.46. Sales: 1,764.

Copper—July 55.40 (55.70), Aug. 55.80 (56.10), Sept. 56.10, Dec. 57.70 settlements. Sales: 2,384.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 53.50 (53.00), Sept. 54.50-54.40 (55.25), Nov. 55.25 asked, Dec. 55.30-55.20, March 55.52 nom., May 55.82 nom. Sales: 176.

Cotton—July 48.00 (47.25), Oct. 47.40-47.50 (45.99), Dec. 47.90-47.95, March 48.65, May 49.65-49.75, July 50.30-50.50, Oct. 51.25-51.40, Dec. 51.45 bid. Sales: 1,097.

†Gold—July 167.00 (169.50), Aug. 167.10 (167.90), Sept. 169.40, Oct. 170.70, Dec. 172.40, Feb. 175.10, April 177.70, June 181.30, Aug. 184.00, Oct. 186.60. Sales: 2,113.

[illegible]

CANADIAN markets were closed owing to the Dominion Day holiday.

STOCK EXCHANGE REPORT

Gilts up and equities stage a strong technical rally

Biggest one-day rise of 23.7 in share index at 315.5

ACCOUNT DEALING DATES

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 16	Jun. 26	Jun. 27	July 8
Jun. 30	July 10	July 11	July 22
July 14	July 24	July 25	Aug. 5

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity stock markets yesterday staged a huge advance in anticipation of and immediately after Mr. Healey's statement on limiting pay increases. The points rise of 23.7 in the FT 30-share index, to 315.5, was the biggest in a single day, though the percentage increase (8.1) did not match the 10 per cent. gain recorded on January 24 last when the index was moving sharply away from its 20-year "low" of January 6.

Gains ranging to 20 ahead of the news were extended by 3p or so in the late trade, final quotations generally being the day's best. This resulted in the 30-share index recovering nearly one-third of the 73.5 points lost over the previous 17 business days, yesterday's advance obviously owing much to the thin and oversold conditions of the market awaiting the economic package. Most of yesterday's demand reflected the closing of bear positions, but some genuine buying interest was seen and the rally took in all equity sectors.

The level of trade was small as illustrated in official markings of only 5,812, but rises were in a majority over falls of 2-to-1 in FT-quoted Industrials and the extent of the general rise was seen in gains of about 5 per cent. in the FT-Actuaries three main indices, the All-share being that much higher at 134.60.

Gilts advance

British Funds took heart from the Chancellor's statement on the Government's proposals to limit incomes. Already improving in front of the statement, long-dated stocks edged a little higher in the "after-hours" dealings and final quotations were up to ½ better. Similar rises were seen in mediums, but gains in the shorts were mostly limited to ⅛. Sentiment in the shorts had been unsettled earlier by the latest increase in U.S. Treasury Bill rates.

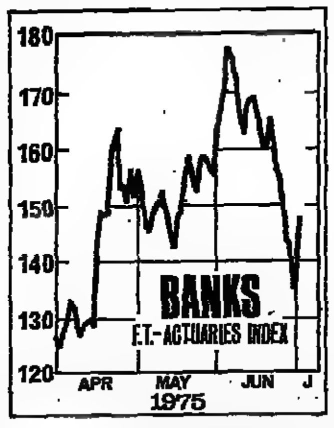
The better performance of sterling, coupled with overseas buying of Gold shares brought the investment premium back rather sharply in active trading yesterday; after initially improving further to 104¾ per cent., the rate tumbled to 96 per cent. before picking up to 98¾ per cent. for a loss of 5½ points on the day. Yesterday's SE conversion factor was 0.5995 (0.5815).

Banks bounce up

A depressed and subdued market of late on fears of forthcoming "rights" issues, home banks rallied strongly yesterday as buyers re-appeared in numbers and caught jobbers short of stock. Prices surged forward to close with gains stretching to 28 as in Midland, 253p. Barclays, 273p, National Westminster, 225p, both jumped 23 and Lloyds were 20 higher at 225p. Bank of Scotland rallied 15 to 230p and Bank of Ireland put on 10 to 430p. In otherwise firm overseas issues, Standard and Chartered turned easier late on the results, ending 15 down at 465p, after having been up to 495p earlier. Merchant Banks firmed throughout. Arbuthnot Latham rose 10 to 165p and Anglo-Continental added 8 to 56p, while Mercury Securities improved 6 to 100p, the last-named in front of to-day's preliminary results.

Insurances staged a strong technical recovery. With dealers short of stock, prices forged ahead from the start of business. Pearl were outstanding at 198p, up 28, while "Royals" picked up 16 to 282p and Sun Alliance rallied 15 to 382p, after 385p. Commercial Union, 153p, and Eagle Star, 113p, added 13 and 11 respectively.

A good technical rally in Breweries saw Allied improve 5 to 65p and Arthur Guinness pick up 6 to 110p. Elsewhere, Distillers rose 9 to 137p helped by news that the wholesale price of its scotch whisky has been increased immediately by over a £1 per case of 12 bottles.



Buildings shrugged aside recent fears of public spending cuts and closed widely better. Taylor Woodrow, advanced 12 to 272p, while Tunnel "B," 112p, and Marley, 81p, put on 7 apiece. Gains of 4 were recorded by London Brick, 50p, and Redland, 80p, while Associated Portland Cement moved up 11 to 141p. R. Costain put on 6 at 187p as did Geo. Wimpey at 106p. Magnet Joinery, ahead of to-day's results, rallied 9 to 113p, while Tarmac improved similarly to 127p. On a less cheerful note, Bett Bros. eased 4 to 38p in front of to-day's interim statement.

ICI improved 16 to close at the day's best of 263p in active trading. Elsewhere in Chemicals, Fisons were outstanding at 382p, up 32. Albright and Wilson rose 9 to 67p, while gains of 5 were seen in Laporte, 82p, and Carless Capel, 57p. Allied Colloids were also supported up to 82p, a rise of 6. Trading news failed to help Midland-Yorkshire, which closed 10 cheaper at 390p.

Stores rally

Stores, which have been overtly depressed of late on fears of an imminent introduction of new price controls, staged a good recovery and closed with some sizeable gains. British Home Stores stood out with a rise of 19 to 303p, while "Gussies" "A" closed 10 better at 183p and Marks and Spencer 13 higher at 200p. Burton Group "A" picked up 6 at 54p as did UDS at 88p. F. W. Woolworth firmed 2½ to 44½p, while House of Fraser, 77p, and Debenhams, 62p, put on 3 apiece. After Monday's fall of 22, W. H. Smith "A" rallied 6 to 334p. Wallis and Co. contrasted with a fall of 5 to 35p.

"Bear covering" coupled with speculative demand left advances in the Electrical leaders ranging to 17, as in EMI at 185p. GEC rose 9 to 124p in front of to-morrow's results. Thorn Electrical appreciated 12 to 164p, while Plessey, 73p, and BICC, 119p, both gained 7. A dull exception was provided by Philips' Lamp, which closed 27 down at 760p, after 755p, mirroring the reaction in the investment premium. Elsewhere, improvements of 4 occurred in James Scott, 17p and BSR, 67p. Robinson Rentals hardened 3 to a 1975 peak of 135p following the increased interim profits.

Engineering leaders figured prominently in the strong market rally. Persistent buying, some of which was institutional, in a market short of stock took GKN 25 higher to 238p and Tube Investments 22 better to 256p. After the previous day's decline of 4 which followed the contraction in profits, John Brown rallied 9 to 58p. Improvements of 5 and 8 respectively were recorded in Vickers, 124p, and Hawker Siddeley, 342p. Elsewhere, Babcock and Wilcox gained 8 to 105p and Blackwood Hodge put on 9 to 123p. Carclo put on 3 to 36p on the results. Pegler Hattersley, in ex-rights form, shed 6½ to 111p with the "new" nil-paid shares at 7p premium. Renold declined 6 to 140p as did Spear and Jackson, 85p, and Ransome Simms and Jefferies, 112p.

Tate and Lyle featured Foods, falling to 217p following news of the proposed £18.5m. "rights" issue before recovering to close only 3 easier on balance at 227p. Other Foods moved higher in active trading. Cavenham advanced 10 to 123p and J. Sainsbury rose 14 to 148p, while Cadbury Schweppes closed 3 better at 46p. Associated Dairies regained 8 at 138p, while rises of 6 were seen in Rowntree Mackintosh, 133p, and William Low, 124p. Biscuit Manufacturers made headway. Associated and United both closing 4 better at 58p and 92p respectively. In Supermarkets, Tesco and Gateway Securities "A" put on 3 apiece to 42p and 27p respectively.

J. Lyons "A" improved 14 to 150p following Press comment on the full report. Pontin's hardened 2 to 25½p, while gains of around 10 were seen in Grand Metropolitan, 66p, and Trust Houses Forte, 93p. Against the trend, Prince of Wales retreated 7 to 33p.

Industrial leaders good

After having already rallied sharply before Mr. Healey's anti-inflation statement, miscellaneous Industrial leaders subsequently improved a few pence more to close with advances extending to 28 after an active trade. Unilever, 382p, and Glaxo "new," 138p premium, both ended that amount up, while the latter's old shares recorded a rise of 23 at 341p. Metal Box rallied 26 to 244p, Reckitt and Colman 21 to 310p, Beecham, 18 to 278p, and Boots 17 to 207p. Bowater were quoted ex "rights" at 141p, up 12, with the "new" nil-paid at 22p premium. Reed International, following the full report, were 16 up at 224p, while Turner and Newall added 9 at 109p. Elsewhere, Press comment on the interim statement held Granada "A" gain 4 at 49p, while London and Northern Securities, on the chairman's statement, put on 4 to 37p. The chairman's remarks at the AGM left Lesney Products 3 firmer at 18p, while Brown Boveri Kent added 1 at 13p on the preliminary report. Advances of 10 were seen in Johnson Matthey, 280p, and Bestobell, 132p, while Trafalgar House improved 8 to 93p, and Avon Rubber 6 to 40p. After Monday's speculative rise of 8 on hopes of new developments in the Dentsply bid situation, AD International came back 3 to 90p; the results are due to-day.

Lucas Industries, which has been particularly depressed recently, not only through the general market reaction but also as a leading supplier to the car industry, recovered sharply by 11 to 104p. Rolls-Royce picked up 3 to 58p, while Dunlop hardened only a penny to 51p. Automotive Products were firm at 25p, up 4, while in Garages, Caffyns continued to reflect the company's property assets and improved 2 more to 59p.

Newspapers joined in the general market revival. Associated improved 8 to 83p, while rises of around 11 were seen in Thomson Organisation, 169p, and United Newspapers, 205p. Beaverbrook "A" hardened 3 to 29p and Pearson Longman moved up 4 to 80p. Morgan-Grampian closed a penny harder at 38p despite the sharply reduced profits. Among Paper/Printings Bunzl Pulp were raised 4 to 86p and DRG 6 to 105p.

Properties rebound

The omission of any reference to the possibility of further business rent controls in Mr. Healey's anti-inflation statement brought some relief to the Property sector, where the leaders rebounded smartly in active trading to close at the day's best. Land Securities closed 21 to the good at 177p and MEPC 16 up at 116p, while British Land, 17½p, and Town and City Properties, 22p, recovered 5½ and 3½ respectively. After Monday's loss of 14 points on the proposed "rights" offer of new 12 per cent. Convertible Loan stock, English Property 6½ per cent. Convertible rallied 10 points to £135, while the Ordinary, after easing a penny more at the start, picked up to 82p for a day's gain of 4. Elsewhere, Hammerson "A" moved ahead 20 to 365p and Stock Conversion 11 to 131p, while rises of about 7 were recorded in Great Portland, 195p, and Berkeley Hambro, 145p. Fraternal Estates, however, receded 3 to 7½p on the year's loss and dividend omission.

The Oil leaders closed at the day's best after an active business. Shell Transport, 317p, and British Petroleum, 510p, both finished about 13 higher, but Royal Dutch, reflecting the downturn in the investment premium, closed with a reaction of ⅛ at £29¼, after £29½. Ultramar moved ahead 16 to 190p, while Burmah managed to end a penny better at 30p, after 31p. Elsewhere, Tricentrol added 8 at 36p, while International Oils Exploration put on 3 to 35p and Berry Wiggins 1½ to 33p. However, Century Oils were quoted in ex "rights" form at 37p, down 2½, with the new nil-paid at 6p premium.

Overseas Traders participated in the general firmness. Lonrho improved 10 to 133p, helped by nationalisation plans for the company's Zambian newspapers. Inchcape, with results due July 24, rose 13 to 378p, while similar gains occurred in James Finlay, 133p, and Harrisons and Crosfield, 575p. South African Distilleries and Wines added 20 at 360p and Australian Agricultural 5 at 68p.

Trusts and Financials took a distinct turn for the better. Capital shares staged good recoveries with Triplevest, 105p, and M and G Dual, 102p, both 9 better, while Dualvest added 7 to 117p and Fundinvest rallied 6 to 49p. Dalgety returned to favour with a gain of 18 to 206p and S. Pearson improved 4 to 114p.

In extremely thin conditions, Shippings managed to stage a small recovery. P & O Deferred regained 6 to 95p and Furness Withy improved 8 to 203p.

Courtaulds rallied 12 to 127p in Textiles, where Bond Street Fabrics improved 2 to a 1975 "high" of 16p following the higher first-half profits. A dull market last week on the poor results, British Cotton and Wool Dyers picked up 3 to 14p. Jackson and Steeple, on the other hand, receded 4 to 20p.

Buyers returned for the Tobacco leaders and, in a short market, Bats regained 16 to 313p, after 315p, and Imps picked up 4 to 63p. Rothmans International, however, cheapened ½ to 22p on the disappointing results.

O.K. Bazaars "A" continued firmly in South Africans, rising 30 more to 640p for a two-day gain of 60.

Guthrie, in Rubbers, rallied 13 to 198p in line with the recovery in Industrial leaders.

Golds give ground

The setback in the investment currency premium following the upward movement in sterling both before and after the U.K. Chancellor's anti-inflation measures announcement caused a reaction in Gold shares.

The bullion price, however, ended the day 20 cents higher at $166.20 per ounce encouraged by the news that of the 500,000 ounces of metal offered by the U.S. Treasury at its "Dutch" auction, 499,500 ounces had been sold at $165.05 per ounce. The Gold Mines index gave up 14 at 404.2.

Losses in the heavyweights ranged to around £1 in Randfontein (£31¾) and Western Deep (£21¾) while Welkom (475p) and Zandpan (310p) both lost 20p.

Financials were similarly lower, the London-based issues being unaffected by the sharp rally in the U.K. Industrial market. "Amgold" lost £1½ to £44, Union Corporation 25 to 345p and Anglo American 15 to 305p. In front of to-day's results, however, Selection Trust were 10 to the good at 595p.

Platinums also gave ground influenced by the premium with Potgietersrust losing 6 to 224p. In Diamonds, De Beers fell 11 to 322p. Coppers were mixed, Minorco giving up 15 at 300p but Palabora gaining ½ to £10.

Australians managed to hold on to early gains which reflected firmer home markets overnight. Gold Mines of Kalgoorlie rose 20 to 150p and Emperor were 10 to the good at 150p.

Tins were untested. Elsewhere, Murchison fell 20 to 730p and Tara gave up 1/16 at £10¼.

FINANCIAL TIMES STOCK INDICES

	July 1	June 30	June 27	June 26	June 25	June 24	A year ago
Government Secs.	58.20	57.76	58.33	58.67	58.94	58.55	55.26
Fixed Interest	57.86	57.65	57.92	58.03	58.08	57.89	54.42
Industrial Ordinary	315.5	291.8	295.6	303.8	318.7	310.5	261.9
Gold Mines	404.2	418.2	409.7	407.2	400.9	386.2	294.4
Ord. Div. Yld. %	6.46	6.94	6.85	6.67	6.45	6.61	7.66
Earnings Yld. % (full)	18.98	20.52	20.23	19.71	19.09	19.26	20.28
P/E Ratio (net) (*)	7.53	6.96	7.06	7.25	7.49	7.42	6.91
Dealings marked	5,812	6,461	5,762	6,104	6,227	6,109	5,712
Equity turnover £m.	—	56.33	56.72	59.15	51.04	61.63	39.15
Equity bargains total	—	15,789	15,569	14,571	14,286	16,892	10,632

10 a.m. 295.9. 11 a.m. 297.7. Noon 304.2. 1 p.m. 304.3. 2 p.m. 309.1. 3 p.m. 311.0.

Latest Index 01-246 8026.

(*) Based on 52 per cent corporation tax. (b) Nil = 7.48.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (21/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (29/5)	280.2 (30/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 1	June 30
Daily—		
Gilt-Edged	157.8	167.7
Industrials	193.2	219.2
Speculative	57.5	75.9
Totals	132.3	147.1
5-day Av'rge		
Gilt-Edged	170.8	168.5
Industrials	222.6	227.4
Speculative	65.2	65.9
Totals	147.5	148.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tuesday, July 1, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday June 30 Index No.	Friday June 27 Index No.	Thurs. June 26 Index No.	Wed. June 25 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (180)	114.09	+4.7	20.58	7.06	7.28	7.27	108.94	111.90	113.68	116.76	92.05	131.26 (6/6)	51.76 (6/1)	206.57 (4/5/72)	15.70 (13/12/74)
2 Building Materials (30)	97.61	+6.8	20.35	6.06	7.56	7.55	92.46	95.23	97.59	99.93	91.36	117.40 (22/4)	45.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	200.55	+3.9	18.72	4.46	7.99	7.99	193.06	202.54	207.69	213.67	165.17	251.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4 Electricals (16)	213.04	+5.6	17.52	3.64	8.36	8.35	201.79	203.89	205.43	212.61	172.19	234.64 (6/6)	96.49 (2/1)	380.04 (4/5/72)	84.71 (25/6/62)
5 Engineering (Heavy) (13)	137.51	+4.1	25.44	7.71	5.98	5.98	132.09	134.66	137.72	141.54	99.31	159.79 (22/4)	64.39 (2/1)	202.57 (2/6/72)	64.39 (2/1/75)
6 Engineering (General) (65)	100.42	+4.5	21.83	8.05	6.72	6.72	96.12	99.28	100.62	105.13	75.65	117.40 (6/6)	45.43 (6/1)	158.59 (4/5/72)	45.43 (6/1/75)
7 Machine and Other Tools (10)	41.49	+2.0	19.72	8.75	7.67	7.67	40.68	41.50	41.87	42.33	35.38	48.98 (21/5)	20.11 (2/1)	136.70 (4/1/66)	19.96 (13/12/74)
8 Miscellaneous (23)	102.29	+2.6	23.72	7.71	6.25	6.25	99.72	102.56	103.85	106.08	85.14	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (58)	81.90	+4.0	21.66	7.30	6.87	6.85	78.78	80.49	82.81	83.27	79.26	93.15 (6/6)	38.39 (6/1)	227.76 (21/4/72)	38.39 (6/1/75)
10 Electronics, Radio TV etc. (15)	95.24	+4.7	21.11	5.46	6.90	6.89	90.99	92.97	96.71	96.28	93.75	106.34 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11 Household Goods (15)	124.64	+1.6	34.55	8.62	4.21	4.21	122.65	124.28	126.27	126.51	122.75	146.90 (25/4)	64.53 (6/1)	265.23 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (28)	45.97	+4.5	16.91	10.10	9.39	9.32	42.29	43.37	44.28	45.15	40.96	50.91 (6/6)	19.91 (6/1)	170.39 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (166)	127.06	+5.1	16.03	6.53	8.92	8.88	120.90	123.96	126.79	129.60	101.08	145.45 (6/6)	61.96 (6/1)	226.06 (16/2/72)	61.41 (13/12/74)
14 Breweries (16)	141.67	+2.1	14.14	7.09	10.66	10.66	138.82	142.15	143.99	149.24	115.07	163.83 (6/6)	70.06 (6/1)	231.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (8)	158.69	+3.4	14.17	5.81	10.41	10.41	153.72	155.94	156.59	161.92	128.73	176.43 (6/6)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16 Entertainment, Catering (16)	140.42	+5.8	15.93	7.39	9.33	9.33	132.76	138.31	141.62	145.53	109.53	158.44 (27/5)	55.26 (6/1)	329.99 (12/12/72)	54.85 (9/1/75)
17 Food Manufacturing (22)	139.09	+4.3	14.92	5.64	9.13	9.09	133.36	136.77	139.11	141.91	100.37	156.67 (6/6)	62.05 (2/1)	211.65 (1/6/72)	59.67 (11/12/74)
18 Food Retailing (16)	120.20	+5.2	13.20	5.32	11.04	11.04	113.22	116.77	117.56	123.02	88.86	140.17 (4/6)	57.15 (2/1)	255.06 (16/2/72)	54.25 (11/12/74)
19 Newspapers, Publishing (15)	124.82	+5.0	19.19	7.65	7.86	7.86	118.88	124.37	129.06	133.11	117.55	152.14 (6/6)	55.08 (6/1)	260.29 (15/1/72)	55.08 (6/1/75)
20 Packaging and Paper (13)	97.65	+6.0	27.39	8.33	5.38	5.36	92.72	95.46	97.75	99.95	71.23	107.12 (30/5)	43.46 (6/1)	135.69 (25/4/72)	43.46 (6/1/75)
21 Stores (30)	106.80	+5.8	13.31	6.07	11.34	11.34	100.98	106.01	106.66	110.21	85.41	132.94 (20/5)	52.63 (6/1)	204.39 (16/2/72)	52.63 (6/1/75)
22 Textiles (21)	132.97	+8.0	26.45	7.03	4.50	4.40	123.15	124.98	128.43	130.57	115.85	145.07 (27/5)	62.91 (6/1)	253.72 (17/8/69)	62.66 (11/12/74)
23 Tobacco (3)	187.60	+5.9	17.69	7.10	8.42	8.42	177.21	177.88	179.00	182.84	167.79	199.16 (10/5)	109.92 (6/1)	339.16 (2/2/72)	94.34 (13/6/62)
24 Toys and Games (6)	38.53	+1.7	32.78	8.00	4.27	4.27	37.90	37.24	38.56	39.43	36.79	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (92)															
25 Chemicals (24)	162.49	+6.3	21.66	5.57	6.61	6.61	152.79	157.50	161.38	166.42	125.71	189.17 (6/6)	75.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26 Office Equipment (10)	81.84	+4.5	17.45	6.48	7.71	7.71	78.29	80.56	82.67	84.14	69.74	104.78 (17/4)	46.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	333.01	+4.4	25.96	7.21	5.55	5.15	318.94	331.08	330.56	337.05	315.21	401.84 (10/5)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28 Miscellaneous (46)	129.77	+4.0	20.31	7.59	7.13	7.12	124.74	128.96	130.98	133.69	111.74	153.98 (6/6)	60.39 (6/1)	256.85 (2/5/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	124.15	+5.0	18.60	6.66	7.74	7.72	118.20	121.45	123.49	126.85	101.89	144.45 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
40 OILS (4)	284.21	+3.9	25.59	5.34	4.14	3.86	273.42	277.53	276.52	282.06	194.06	296.47 (4/6)	106.83 (7/1)	451.66 (29/5/68)	87.23 (29/5/62)
31 500 SHARE INDEX	137.41	+4.8	19.77	6.45	6.80	6.66	131.06	134.36	136.86	139.78	109.75	155.14 (6/6)	63.49 (6/1)	227.96 (19/8/72)	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	123.71	+6.5	—	5.85	—	—	116.17	121.10	123.34	128.83	101.66	149.46 (20/5)	56.30 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	147.72	+9.1	25.15	5.33	5.92	5.92	135.34	143.27	143.84	150.98	130.56	177.11 (7/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34 Discount Houses (9)	140.20	+0.5	...	8.55	—	—	139.49	138.82	140.56	140.68	116.35	169.27 (7/5)	84.13 (6/1)	293.13 (20/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	88.06	+6.8	29.34	10.66	4.52	4.19	80.58	82.02	84.07	84.29	165.42	134.39 (10/5)	42.81 (6/1)	433.72 (4/5/72)	38.85 (11/12/74)
36 Insurance (Life) (9)	106.47	+9.0	—	6.47	—	—	96.75	100.15	101.46	105.16	82.01	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37 Insurance (Composite) (7)	99.11	+6.1	—	6.66	—	—	93.40	97.04	99.08	105.97	71.66	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance (Brokers) (8)	183.22	+3.7	11.11	4.62	13.39	13.39	176.62	178.35	186.91	188.48	127.02	211.50 (21/5)	68.96 (7/1)	268.57 (15/12/72)	65.86 (16/12/74)
39 Merchant Banks (19)	77.59	+4.1	—	7.78	—	—	74.54	77.05	79.69	81.07	82.54	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40 Property (32)	164.66	+3.8	4.46	3.70	33.39	32.14	158.69	166.67	170.28	176.81	125.81	241.22 (22/4)	88.19 (7/1)	357.40 (3/11/73)	56.01 (20/4/65)
41 Miscellaneous (5)	67.27	+1.0	14.65	9.86	9.62	9.71	66.59	68.29	70.33	71.00	75.79	75.78 (23/4)	34.78 (10/1)	303.13 (12/6/72)	35.29 (17/12/74)
42 Investment Trusts (50)	154.98	+2.2	3.28	4.49	30.51	30.51	151.69	153.91	156.13	158.76	109.95	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	134.60	+5.0	—	6.21	—	—	128.21	131.79	133.82	137.56	107.31	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (10)	414.36	+1.7	14.51	7.94	8.75	8.51	407.63	413.86	416.80	420.63	316.16	525.43 (25/2)	281.66 (2/1)	555.37 (25/1/75)	84.68 (8/12/63)
45 Teas (10)	100.06	..	19.25	9.66	6.61	6.11	100.06	100.68	100.68	100.68	90.30	100.68 (24/6)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46 Coppers (3)	407.19	−0.8	48.23	18.55	2.07	2.07	410.36	397.39	406.31	405.78	363.21	467.74 (27/5)	374.38 (22/1)	567.78 (15/7/70)	94.08 (29/4/63)
47 Mining Finance (11)	135.53	−1.4	9.01	3.90	12.11	12.11	137.52	133.62	132.98	131.32	86.64	141.54 (30/6)	80.58 (22/1)	175.90 (22/4/68)	66.31 (29/3/74)
48 Tins (8)	98.43	−0.4	10.36	8.42	12.43	10.63	98.82	99.61	99.78	99.43	76.90	114.49 (3/6)	58.91 (6/1)	125.43 (12/1/73)	54.85 (21/10/71)
49 Overseas Traders (13)	214.72	+3.3	16.32	4.20	7.79	7.77	207.87	209.16	213.11	213.86	—	252.23 (30/5)	97.57 (6/1)	252.23 (30/5/75)	97.37 (6/1/75)

FIXED INTEREST	Tuesday, July 1 Index No.	Yield %	Monday June 30	Friday June 27	Thurs. June 26	Wed. June 25	Tuesday June 24	Monday June 23	Friday June 20	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.68	14.89	14.66	14.55	14.44	14.64	14.74	14.73	15.35	—	—	—	—
2 20-yr. Govt. Stocks (6)*	47.16	‡13.73	46.74	47.35	47.82	48.11	47.56	47.32	47.18	47.07	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/65)	38.27 (3/1/75)
3 20-yr. Red. Deb. & Loans (15)	46.12	‡15.95	46.02	46.57	46.39	46.36	46.08	46.03	46.87	43.95	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/63)	37.01 (3/1/75)
4 Investment Trusts Prefs. (15)	42.29	16.39	42.15	42.18	42.01	42.01	41.23	41.40	41.54	41.73	46.57 (26/3)	35.55 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5 Coml. and Indl. Prefs. (20)	60.25	15.62	59.71	60.19	59.61	59.49	58.87	58.80	58.88	56.25	66.98 (21/3)	48.35 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 15p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGES: Herbert (Alfred) (Machine and Other Tools) and Caravans International (Motors and Distributors) have been replaced by K Shoes and Stead and Simpson "A" (Textiles).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	24	263	+16	302	118
Bowater "New"	Nil/pd.	20	22*	—	17½*	7½*
Glaxo "New"	Nil/pd.	20	138*	+28	192*	100*
Distillers	50p	15	137	+ 9	149	85½
GKN	£1	15	238	+25	277	95
Natl. Westminster	£1	15	225	+23	275	88
Shell Transport	25p	15	317	+13	343	118
BATS	25p	14	313	+16	338	164
Beecham	25p	12	278	+18	310	116
Commercial Union	25p	12	153	+13	194	72
Lloyds Bank	£1	12	225	+20	265	94
Marks & Spencer	25p	12	200	+13	236	95
Reed Intl.	£1	12	224	+16	297	124
Assoc. P. Cement	£1	11	141	+11	172	64
Barclays Bank	£1	11	273	+23	323	112

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (21)

CANADIANS (3)
Bank Montreal
Hud. Bay Oil & Gas
Hawker Sid. Canada

ELECTRICALS (2)
Robinson Rentals
Scott (James)

ENGINEERING (1)
London & Midland

INDUSTRIALS (3)
Barlow Rand
Rennies Cons.
Monsanto 5pc '82-86

MOTORS (1)
Genl. Motors Units

PROPERTY (1)
Amal. Inv. & Prop.

TEXTILES (1)
Bond St. Fabrics

SOUTH AFRICANS (3)
Abercom
Primrose
OK Bazaars 'A'

TRUSTS (2)
F.U.G.I.T.
Selected Risk

OVERSEAS TRADERS (1)
S.A. Dists. & Wines

MINES (3)
Geduld Inv.
Petaling
Vogels

NEW LOWS (12)

CORPORATION LOANS (1)
Warwick 12½pc 1980

BUILDINGS (1)
Atlas Stone

ENGINEERING (2)
Birmingham Pallet
Cartwright (R.)

INDUSTRIALS (3)
Century Secs.
Venesta
Crowther (W.)

PAPERS (1)
Culter Guard Bridge

PROPERTY (3)
Dorrington
Woodmill
Westminster Prop.

TRUSTS (1)
Le Valloner Inv.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 24	July 7	Sept. 18	Sept. 30
July 8	July 21	Oct. 8	Oct. 14
July 22	Aug. 4	Oct. 16	Oct. 28

"Calls" were taken out in National Westminster Bank warrants, Consolidated Gold Fields, Charterhall Finance, Town and City, Amalgamated Investment, Phoenix Assurance, Reckitt and Colman, ICI, Cavenham warrants, Ultramar, Tube Investments, Reyrolle Parsons, Premier Oil, Giltspur, Courtaulds and Slater Walker. "Puts" were done in EMI and Cavenham warrants, while "doubles" were arranged in Cons. Gold Fields, ICI, Cavenham warrants.

Industrials	
A. P. Cement	20
Assoc. Leisure	5
Barclays Bank	35
Beecham	28
Boots Drug	24
Bowaters	20
B.A.T.	35
British Leyland	1¼
British Oxygen	6
Burton 'A'	9
Cadburys	6
Courtaulds	14
Debenhams	11
Distillers	15
Dunlop	6
Eagle Star	16
E.M.I.	20
First National	5
G.R.A. Trust	7
Gen. Accident	16
Gen. Electric	14
Glaxo	40
Grand Met.	9
G.U.S. 'A'	20
Guardian	20
G.K.N.	26
Hawker Sidd.	30
House of Fraser	10
Hudson (Wilms.)	5
I.C.I.	24
"Imps"	7
I.C.L.	7
Inveresk	10
Legal & General	17
Lloyds Bank	30
"Lots"	7
"Mams"	9
Marks & Spencer	25
Midland Bank	32
Nat'l West. Bank	30
P & O Dfd.	16
Plessey	10
R.H.M.	7
Rank Org. 'A'	25
Reed Int'l	28
Slater Walker	15
Spillers	7
Tesco	6
Thorn 'A'	20
Tube Invest.	30
Unilever	40
Utd. Drapery	12
Vickers	16
Woolworths	6
Property	
Cap. Counties	7
E.P.	11
Int. Europe	7
Land Securities	22
Peachey	7
Town & City	6
Town & Comm.	7
Oils	
Brit. Petroleum	45
Burmah Oil	6
Shell	30
Ultramar	21
Mines	
Anglo Amer.	50
Broken Hill Pty.	75
Charter Cons.	22
Chart'rh'll Fin.	8
Cons. Gold	25
De Beers Def.	25
F. S. Geduld	350
Great Boulder	12
Hampton Areas	15
Hampton Prop.	4
Kloof	140
Lonrho	19
Loraine	55
Metals Explor.	8
Poseidon	55
Pres. Steyn	275
Rio T. Zinc	20
Welkom	55
West Areas	75
Western M'ng.	16
Zambia Copp.	10

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	43	3	3
Corpns., Dominion and Foreign Bonds	5	14	54
Industrials	356	278	917
Financial and Prop.	228	97	289
Oils	16	6	18
Plantations	2	3	43
Mines	21	64	67
Recent Issues	24	9	34
Totals	695	474	1,419

MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Day-to-day credit was in free supply in the London money market yesterday, and the authorities sold a large amount of Treasury bills to the Discount houses, in order to absorb surplus funds. It seemed possible, however, on the basis of underlying factors, that banks carried on a surplus. Banks had carried forward a substantial surplus from Monday, and Government disbursements were greater than revenue transfers to the Exchequer, but there was a rise in the note circulation, and there were moderate repayments to be made by Discount houses to the Bank of England of sums borrowed at the Bank of England Minimum Lending Rate on Monday.

Discount houses paid 6 per cent. to 8¾ per cent. for secured call loans amid the day's fluctuations, while in the inter-bank market, overnight loans were in a broad range of 5½-8½ per cent.

Short-term fixed-period rates showed modest adjustments, with the three-month sterling certificate yield, for instance, ending at about 9⅝-9¾ per cent., against the previous 9¹³⁄₁₆-9¾ per cent.

Rates in the table below are nominal in some cases.

July 1 1975	Sterling Certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	5½-8½	5-8¼	—	—	6-9½	6-8¾	—	—	—
2 days notice	—	—	8½-9	—	—	—	—	—	—	—
7 days or 7 days notice	—	8¼-9	8¾-9⅛	—	9¼-10¼	—	8¾-9⅜	—	—	—
One month	9⅜-9⅛	9⅜-9⅝	9-9¼	—	9⅝-10⅛	—	8⅞-9	—	—	—
Two months	9⅜-9½	9⅜-9⅝	—	10¼-9¾	10-10⅛	—	9⅛	9⅝-9⅛	9½-9⅝	9¾-11
Three months	9⅝-9⅝	9⅝-9⅝	9½-9⅝	10¼ 9¾	10¼-10⅞	—	9¼-9⅜	9½-9¼	9⅝-9⅝	10-11
Six months	10⅛-10⅛	10⅛-10⅜	10-10⅛	10¼ 9¾	—	—	—	9⅝-9⅝	9¾	10-11
Nine months	10⅛-10⅛	10½-10⅜	—	10½-10	—	—	—	—	10-10⅛	10¾-11¼
One year	11⅛-10⅞	10⅞-11⅛	12	11¼-11⅛	—	—	—	—	—	—
Two years	12⅛-12	—	12⅞-13	12¾-12	—	—	—	—	—	—

* Local Authority and finance houses seven days' notice; others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13½-13¾ per cent.; four years 14-14½ per cent.; five years 14½-14¾ per cent. ф Bank bill rates in table are buying rates for prime paper; buying rates for four-month bank bills 9⅞ per cent.; and four-month trade bills 10¾-11 per cent. Approximate selling rates for one-month Treasury bills 9⅜-9½ per cent.; two-month 9⅜-9⁹⁄₁₆ per cent.; three-month 9⁹⁄₁₆-9⅝ per cent. Approximate selling rates for one-month bank bills 9⅝ per cent.; two-month 9⅝-9¹¹⁄₁₆ per cent.; three-month 9¹¹⁄₁₆-9¾ per cent.; for one-month trade bills 9¾-10¼ per cent; two-month 9⅞-10¼ per cent.; and three-month 9⅞-10⅛ per cent.

Finance House Base Rate (published by the Finance Houses Association) 10½ per cent from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4526 per cent.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	*9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	11 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 165-168

CORAL INDEX
Close 311-316

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

[illegible]

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	36.0	37.5	+0.6	5.80
BL Balanced*	27.2	28.8	−0.7	5.19
BL Capital*	28.5	30.2	−1.6	5.65
BL Dividend*	23.3	25.8	−0.8	10.35

*Prices on July 2. Next dealing July 9.

G. & A. Un. Tst. Mgrs. Ltd.♥ (a)(b)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	21.9	22.5	+0.4	5.81

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	30.8	33.1	+0.5	4.72
High Income Tst.	28.1	30.2	......	12.20
(z)Overseas Tst.	26.3	28.5	+0.2	1.65

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown seperately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......
Ash Spinning	36	......
Bertam	18	+1
Brady (G.) 'A'	48	......
Bdg'wtr. Est. 50p	£120	......
Clover Croft	35	......
Craig & Rose £1	312	......
Dundee Ice £1	290	......
Dixon (R.A.)	30	......
Ellis & McHdy	57	......
Evans Fr'k. 10p	30	......
Everard	12	......
Fife Forge	40	......
Finlay Pkg. 5p	16	......
Frost & Reed 50p	90	......
Gardiner & Sons	11½	......
Gardner (L.)	57	−7
Graig Ship. £1	420	+10
Hallam Sleigh 10p	8	−1
Higsons Brew	63	......
I.O.M. Stm. £1	120	+10
Holt (Jos.) 25p	180	......
Kleen-e-Ze	26	−2
Lovell's Ship £1	125	......
N'thn. Goldsmith	77	......
P.M.A.	35	−1
Pearce (C. H.)	60	......
Peel Mills	16	−1
Richards 10p	8	......
RobbCaledon5p	33	......
Sayers 12½p	6	......
Sheff. Refrshmt.	145	......
Shiloh Spinn.	25	......
Sindall (Wm.)	43	......
Vincent (H.)	70	−18

IRISH

Alliance Gas (£1)	48	+½
Carroll (P. J.)	109	......
Clondalkin	48	......
Concrete Prods.	72	......
Goodbody (£1)	38	......
Helton (Hldgs.)	38	......
Irish Distillers	53	......
Irish Wire	40	......
Jacob	47	+2
Sunbeam	11	......
Unidare	64	......

TATE & LYLE LIMITED

(Registered in England No. 76535)

Notice to holders of Bearer Share Warrants

PROPOSED RIGHTS ISSUE

Notice is hereby given that an Extraordinary General Meeting of Tate & Lyle, Limited will be held at Winchester House, 100, Old Broad Street, London, EC2N 1BE, on Thursday, 17th day of July, 1975 at 10.00 a.m. for the purpose of considering and, if thought fit, passing an Ordinary Resolution to increase the authorised share capital of the Company from £50,000,000 to £65,000,000 by the creation of an additional 15,000,000 Ordinary Shares of £1 each.

Subject to the passing of the necessary Ordinary Resolution referred to above, the Board proposes to offer to Ordinary Stockholders (including holders of Bearer Share Warrants) 10,909,696 new Ordinary Shares of £1 each by way of Rights at 170p per Share on a one-for-four basis

Holders of Bearer Warrants who wish to attend and vote at the Extraordinary General Meeting or to participate in the proposed Rights Issue should immediately send all Coupons numbered 36, to the Secretary, Tate & Lyle, Limited, 21 Mincing Lane, London EC3R 7QY, and should notify him of the address to which they wish documents to be forwarded. The Secretary will then send them copies of the Chairman's letter to Stockholders giving full details of the proposed issue and forms of proxy. Subject to the Ordinary Resolution referred to above being passed, Provisional Allotment Letters will be despatched on or about 17th July, 1975 in respect of the new Ordinary Shares to which such holders become entitled. The new Ordinary Shares will be issued in registered form.

A Member of the Company entitled to attend and vote at the above-mentioned Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a Member of the Company.

An instrument appointing a proxy must be deposited with the Company's Registrars, Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex BN12 6DA, not less than 36 hours before the time fixed for the meeting.

Registered Office: 21, Mincing Lane,
London, EC3R 7QY.

By order of the Board.
R. I. Foden,
Secretary.

INTERNATIONAL FINANCIERS

For

INDUSTRIAL, COMMERCIAL AND RESIDENTIAL PROPOSITIONS

- ★ DEVELOPMENT
- ★ BRIDGING
- ★ PURCHASE
- ★ MORTGAGES
- ★ REMORTGAGES
- ★ SALE AND LEASEBACK
- ★ OVERDRAFT FACILITIES

Contact:

FORMULA FINANCE LIMITED
(Incorporated in Jersey, Channel Islands)
35 Soho Square, London W1V 5DG
Tel. 01-434 1561 or 01-734 7566 - Telex: 28111 Formulate Ldn.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99¼	90¼	Savings 3pc '65-75‡‡	99¼	+1/16	3.02	9.27
99⅛	94	Exch.6½pc 1976‡‡	98⅝	......	6.62	9.38
165 85½	92	Treasury 6½pc 1976‡‡	165 85⅝	+68	6.70	9.43
99	97	Victory 4pc 1976‡‡	99xd	......	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	100⅛	–⅛	10.49	10.38
95	88⅞	Treasury 6¼pc 1977‡‡	94¼	......	6.63	9.99
93⅛	86⅝	Electric 3pc '74-77	93⅛	+⅛	3.22	7.34
103	96⅞	Treasury 11½pc '77‡‡	101⅝	+⅛	11.32	10.60
88	84	Treasury 3pc '77‡‡	87	–½	3.45	9.15
89⅛	84⅜	Transport 4pc '72-77	88¾xd	......	4.51	9.19
96	90½	Treasury 9pc 1978‡‡	94⅜	+½	9.54	11.44
100	96⅝	Treasury 10½pc '78‡‡	97⅞xd	+	10.73	11.35
87½	79	Exchequer 5pc '76-78‡‡	85⅛	......	5.86	10.42
103	94	Treasury 11½pc '79‡‡	99⅞	+	11.51	11.50
79⅞	71⅛	Treasury 3pc '79‡‡	78⅛	+½	3.84	9.40
81	73⅞	Electric 4¼pc '74-79	79⅝ 165 £	+⅛	5.34	10.29
100	96	Treasury 10½pc '79‡‡	96⅞	+	10.84	11.40
79⅝	71	Electric 3½pc '76-79	78⅜	+¼	4.47	9.67
95	84	Treasury 9pc 1980‡‡	92⅜	+½	9.74	11.10
95	94⅞	Treasury 9½pc '80‡‡	94⅞	......	10.01	10.88
79	68¼	Treasury 3½pc '77-80	75⅝	+⅛	4.63	9.82
84½	71	Funding 5¼pc '78-80‡‡	79¼xd	+⅛	6.59	10.62
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74⅜	+¼	4.79	9.84
91⅛	72⅝	Do 8¼pc '80-82‡‡	85½xd	+¼	9.95	11.75
104⅛	86⅝	Treasury 12pc 1983‡‡	102	+¼	12.18	12.28
78	58	Funding 5½pc '82-84‡‡	70⅞xd	+¼	7.74	10.76
85¼	61⅞	Treasury 8¼pc '84-86‡‡	78¼xd	+	10.85	12.11
73¼	51⅞	Funding 6½pc '85-87‡‡	67¼	+⅜	9.83	11.89
76¼	53	Treasury 7¾pc '85-88‡‡	68¼xd	+⅜	11.27	12.82
46⅛	32⅞	Transport 3pc '78-88	42⅜xd	+½	7.08	11.76
55¼	39¼	Treasury 5pc '86-89	51⅜	+½	9.94	12.56
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	67⅛	+½	12.36	13.47
55¾	41⅞	Funding 5¾pc '87-91‡‡	52⅛	+½	11.33	13.27

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 66¼% (based on $2.1985 per £)

CANADIANS

S.E. List Premium 66¼% (based on $2.2635 per £)

Conversion factor 0.5895 (0.5815)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

هكذا في الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£14¼	780	Durban Deep R1	£11xd	−½	†Q110c	ϕ	‡
£14	860	E. Rand Prp R1	£11½xd	.....	†Q115c	ϕ	‡
105	55	Rand Leases 25c	70	+2	—	—	—
£34½	£22	Randf'tn Est. R2	£31¾	−1	—	—	—
500	260	West Rand R1	330	.....	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	235	Bracken R1	310	−10	†Q51c	1.1	10.3
23	13	Daggafontein 50c	17	.....	—	—	—
105	60	East Dag. R1	60	.....	‡Q25c	ϕ	‡
140	140	Grnl. Areas 5c	140#	.....	—	—	—
380	210	Grootvlei 30c	305xd	+5	‡Q32c	1.1	‡
820	410	Kinross R1	780	−5	†Q50c	1.5	4.0
198	107	Leslie 80c	146	−8	†Q22c	1.6	9.4
550	325	Marievale 70c	440xd	−10	‡Q84c	1.1	‡
725	380	S. African Ld 35c	550xd	−10	‡Q95c	1.2	‡
265	175	Vlakfontein R1	225xd	−5	Q30c	ϕ	8.4
£13¾	840	Winkelhaak R1	£12½	−½	†Q94c	1.2	2.6
120	65	Wit. Nigel 25c	96	.....	Q1c	10.9	0.7

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£11	680	Blyvoor 25	£10	.....	Q100c	ϕ	4.1
£21½	£17	Buffels R1	£20¾	−¾	Q180c	ϕ	5.4
430	293	Deelkraal R0.20	420	.....	—	—	—
£14¼	920	Doornfontein R1	£13¼xd	−¾	Q110c	ϕ	5.1
£12¾	725	East Drie R1	£11¼xd	−½	Q65c	ϕ	3.5
£12½	725	Do. Cumb. Units	£12	.....	—	—	—
450	295	Elsburg R1	420xd	−10	Q45½c	Q5½c	6.8
£31	£16	Hartebeest R1	£25xd	−½	Q215c	ϕ	4.8
£13¾	815	Kloof Gold R1	£11¼xd	−1	Q55c	ϕ	2.9
£17¼	875	Libanon R1	£13¼xd	−¾	Q110c	ϕ	5.0
£13¾	960	Southvaal 50c	£12½	−¼	Q9c	ϕ	0.4
480	340	Stilfontein 50c	410	−20	‡Q65c	1.5	‡

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
8	3	Burma Mines 17½p	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	63	+2	—	—	—
115	75	Colby Mines $1	75#	.....	—	—	—
760	360	Cons. Murch. 10c	730xd	−20	‡Q130c	2.2	‡
55½	29½	Laurasia	39½	+2	—	—	—
19	13	NRDS1	14	−1	—	—	—
375	200	Northgate C$1	305	.....	Q65c	1.0	9.2
211	80	R.T.Z.	182	.....	19.9	4.4	4.2
135	47½	Sabina Inds. C$1	95	.....	—	—	—
75	51	Stanford Mines 8	75	+3	—	—	—
£12½	875	Tara Exp'n. $1	£10⅜	−⅛	—	—	—
75	38	Yukon Cons C$1	60	.....	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.
A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES
Wednesday July 2 1975

Bids over $165 for U.S. gold accepted

By Paul Lewis, U.S. Editor

WASHINGTON, July 1.

THE U.S. Treasury announced to-day that it would sell a total of 499,500 ounces of gold to all those who bid $165.05 an ounce or more, at yesterday's second American gold auction.

In all there were 70 successful bids from 41 bidders, who need only pay to-day's official selling price, which is slightly below the London closing price of $166.50 an ounce.

The biggest successful bidder is the Swiss Bank Corporation of Zurich, which receives 140,000 ounces. Next comes the Republic National Bank of New York (97,000 ounces), N. M. Rothschild of London (90,000 ounces) and Sharps Pixley of New York (52,750 ounces).

The eight largest successful bidders also include Mocatta Metals Corporation (32,500 ounces), Compagnie de Banque et d'Investissements of Geneva (29,750 ounces), Merril, Montagu, Handy and Harman of New York (26,000 ounces) and the Swiss Credit Bank (23,000 ounces).

In contrast with the first auction last January, when less than half the 2m. ounces on offer was bought, the Treasury faced brisker demand for its gold yesterday. A total of 758 bids were received (compared with 209 in January) for approximately 4m. ounces at prices ranging from $32 to $182 an ounce.

The Treasury, though, was offering a maximum of 500,000 ounces and while the amount sold fell marginally short of this figure, the auction raised $82.4m. in revenue for the Government.

As in January, much of the gold auctioned off has gone to foreign dealers. However, the Treasury believes the metal will probably be sold back by them to U.S. interests and is unlikely to leave th. country.

In this way, the auction should help keep down U.S. bullion imports, now that ordinary citizens may invest in gold and reinforce the balance of payments.

By selling off metal from the official reserves to meet private demand, the Treasury also hopes to underscore its distaste for gold's lingering monetary role and reinforce its efforts to bring this to an end.

Air and ship Bill is put off until October

BY JOHN HUNT

THE GOVERNMENT Bill to nationalise the shipbuilding and aircraft industries will not now be introduced in the present session of Parliament, Mr. Eric Varley, the new Industry Secretary, said last night.

Instead it will be brought before Parliament in the session starting at the end of October, with the intention of nationalising the companies concerned as early as possible next year.

The fact that the legislation is being put back will certainly anger the Left wing of the Parliamentary Party and also the Confederation of Shipbuilding and Engineering Unions.

Only last week, after suggestions that the Bill would be delayed until the autumn, the Government went to extraordinary lengths to assure the unions that it was being pressed with all possible haste.

The Government has already announced provisions to prevent the companies selling off sections of their operations in order to avoid nationalisation, and these provisions will continue in force, said Mr. Varley.

"The Government reserves the right, should there be any deliberate attempt to frustrate the objectives of public ownership, to introduce further safeguarding provisions which may be retrospective in their effect."

It was essential that the industries should operate on a vigorous basis meanwhile, and that contracts should be fulfilled efficienctly, he added. The Government was willing to do what it could to assist in this respect.

Mr. Varley advised any directors who ran into difficulties to contact his department for help. "I would expect such cases to be exceptional," he said.

Hiatus

Michael Donne, Aerospace Correspondent, writes: The question that now faces both industries is how to get over the hiatus that will be caused for the next few months, pending the re-introduction of the Bill towards the end of this year.

For example, it is possible that the Government could find some way of setting up the proposed Organising Committees, that would not normally come into being until after Second Reading, and which would be responsible for setting up the new British Aerospace and British Shipbuilders corporations.

These Committees would comprise senior representatives of the industries involved and might be able to act as centres of advice in the interim period before nationalisation became effective.

It is understood that the Government intends to look into the possibility of getting these committees set up in advance of Second Reading.

If this can be done within the framework of existing legislation, it is likely that it will be, for it would relieve the Department of Industry of much strain in constantly advising the companies in the two industries of what to do pending nationalisation.

This would probably be of more use to the shipbuilding industry than the aerospace industry. The latter is already heavily dependent upon the DoI for cash and consent for various projects and operates closely with it.

Nevertheless, both industries are likely to continue to campaign strongly against the impending nationalisation.

Callaghan now set to visit Uganda

BY MALCOLM RUTHERFORD

MR. JAMES CALLAGHAN, the Foreign Secretary, is now ready to fly to Uganda next week for talks with President Amin following the President's decision to spare the life of the British lecturer, Mr. Dennis Hills. Mr. Hills was due to be executed on Friday.

The announcement of the reprieve came on Radio Zaire in the form an an extract from an impromptu Press conference given by President Amin, who has been visiting Zaire for the past two days.

In somewhat obscure language, the President said he had decided "to give clemency" to Mr. Hills "because President Mobutu (of Zaire) wanted the things to be completely free without being controlled by the superpowers."

This report was officially confirmed when the British chargé d'affaires in Zaire, Mr. Dougal Reid, was summoned to a meeting with both President Mobutu and President Amin.

In London, the Foreign Office welcomed the decision and said Mr. Callaghan was now ready to carry out his undertaking to go to Kampala for talks on Anglo-Ugandan relations. A message of thinks is being sent to President Mobutu for his successful efforts at mediation.

President Amin had said previously that the execution would go ahead on Friday if Mr. Callaghan failed to arrive for talks in the meantime. Mr. Callaghan, in turn, had insisted that there was no question of his going to Uganda "under duress." The announcement of the reprieve is regarded as enough to enable the visit to take place.

The most obvious date would be some time next week since Mr. Callaghan will be in Italy from July 3-6 and in Poland on July 13-14 and has other travelling arrangements in the rest of the month.

The Radio Zaire broadcast also contained a more surprising passage in which President Amin said he was leaving everything concerning Britain and Uganda to be discussed with "my brother General Mobutu Sese Seko. If the British want to maintain good relations with Uganda."

Gujarat leaders vote against Mrs. Gandhi

BY KEVIN RAFFERTY

BOMBAY, July 1.

BATTLE was joined to-day between the newly-elected Government in the Indian state of Gujarat and Mrs. Indira Gandhi, the country's Prime Minister.

The leaders of all political groups in the Government protested against Mrs. Gandhi's assumption last week of emergency powers and called upon her to lift the state of emergency, to release the detained Opposition leaders and end censorship.

The Gujarat politicians are the first powerful figures in India to challenge Mrs. Gandhi's measures, although they face some difficulties in pushing their opposition further.

All the MPs in the five parties comprising the Janata (People's) Front yesterday passed three resolutions against Mrs. Gandhi's move. To-day in this big industrial city the state MPs' condemnation was reinforced by the adoption of similar hostile motions by the Gujarat Pradesh Congress, the administrative body of the opposition Congress Party, the largest single party in the Front.

This body is responsible for the activities of the party right down to the smallest towns and villages and can press the call of opposition to all parts of the state.

Many leaders feel particularly bitter as those arrested in Mrs. Gandhi's swoop include Mr. Morarji Desai, who was the prime organiser of the election victory in Gujarat earlier this month.

But the tricky next question is how the Front will push the opposition forward, particularly as the central government-appointed censor can be expected to cut any mention of the opposition from the state and national newspapers.

The Front is anxious not to give Mrs. Gandhi an opportunity to intervene in the state, and its only advantage at present is that Mrs. Gandhi may hesitate to try to bring Gujarat under President's (central) rule so soon after the election.

Some members of the Front central bodies were disappointed with what they considered the meekness of to-day's opposition. They thought that the Front and the Opposition Congress should hold public demonstrations against Mrs. Gandhi's measures. One of them told me: "If we do not press our case publicly we will lose our freedom inch by inch."

But Mr. Babubhai Patel, the state's Chief Minister, explained some of the pressures on him: "When we took over the state its finances were in a bad way." Gujarat has to rely heavily on the Central exchequer in New Delhi for financial assistance and after three successive years of drought its ability to do without that money is severely curbed.

THE LEX COLUMN

Chancellor fills the vacuum

Index rose 23.7 to 315.5

After falling more than 40 points in the previous six days the 30-Share Index was due for a rally anyway, and it was already over 12 points up by noon before news came of Mr. Healey's imminent statement. This helps to explain the snap reaction to a package which includes the promises of further price and dividend controls. Gilts reacted rather coolly—with the longs up half a point or so—but the F.T. Index, which has been noticeably weaker than the All-Share in the past few weeks, has recovered in a single day roughly a third of its reaction from the 365 peak.

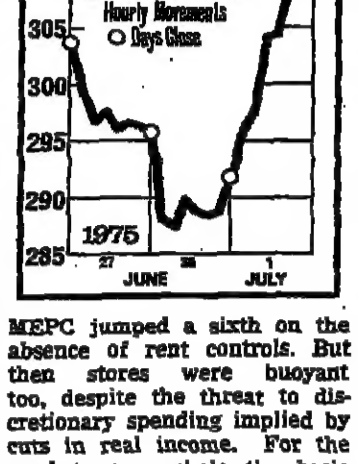
The statement was obviously rushed out ahead of the proper formulation of measures, and many points of detail remain to be clarified. At this stage the wage control policy appears to be as tough as anyone could have anticipated, but as in all the Government's recent economic pronouncements the lack of any detailed proposals to contain the borrowing requirement is the glaring omission.

That is why gilts have yet to receive their fundamental buying signal, even though the monetary conditions remain favourable for occasional buoyant phases. The Government Broker, in any case, is ready with his new long tap to mop up any revival of demand. And much will depend on the response of sterling over the months ahead, for if this package fails to make a lasting impression on our overseas creditors the interest rate weapon is one of the few measures the Government has yet to try. The bulls will have to fall back on the argument that external pressures will, in fact, force the Government into a direct attack on the financial deficit, which ultimately will have to be trimmed right back if inflation is to be halted in the medium term.

For the corporate sector the question is whether the price controls—to check the rate of price rises as wage inflation slows, and to encourage compliance of individual employers with the pay norm—will be anything more than cosmetics. For the present it is a fact that margins have started to recover and that the company sector's financial deficit is narrowing rapidly. In many areas price controls are becoming progressively less relevant as the recession deepens. The ill-effects would come in the longer term—if price controls persist into the next economic upturn.

Meanwhile the further tightening of the dividend screw can have no rational defence after more than 2½ years of control during which wages have drawn further and further ahead.

Among individual shares, the likes of Land Securities and



MEPC jumped a sixth on the absence of rent controls. But then stores were buoyant too, despite the threat to discretionary spending implied by cuts in real income. For the market as a whole the basic arguments for a rising trend are not changed. But with the added dangers of confrontation that arise from these measures the trend will be anything but smooth.

Tate & Lyle

Tate and Lyle's £18½m. rights issue follows some violent movements in its balance sheet since last September. Long-term borrowings then totalled £38m., and there was a net £4m. of short-term debt. Fixed asset spending since then has been more or less covered by net cash flow, and the Chancellor's stock appreciation measures have brought tax savings of anything up to £20m. But long term debt has moved up to £43m., gross short term borrowings have jumped by about £28m. to £60m., and the cash balances have fallen.

In other words there has been a very substantial rise in net working capital—which totalled just £59m. last autumn—and the group's gearing is now qu[ite] hefty even though total stoc[k]holders' funds of roughly £120[m] could rise by, say, £30m., [if] stocks were put in at curre[nt] market prices. Tate says th[at] the main explanation is a su[b]stantial expansion in the volu[me] of its business—especially [in] North America which has mo[re] more than offset the downtu[rn] in commodity prices. Furth[er] clarification would be helpful [at] the EGM.

Tate has seen fit to unde[r]write the offer—at a 26 per cen[t] discount on Monday nigh[t] price, which says somethi[ng] about the worries of the unde[r]writers in recent days. T[he] package left the shares [ ] lower at 227p after 217p, whe[re] the ex rights yield is 7¾ p[er] cent. The subtlety now [is] whether the hope of a sett[le]ment to the Paris sugar disp[ute] will enable Tate to claw t[his] year's provisions back into ne[xt] year's profits and produce reasonably stable profits pe[r]formance over the next months.

Rothmans Intl.

Rothmans' 1974-75 profits a[re] maybe £6m. short of what ou[t]siders were hoping for — [ ] £21.4m. pre-tax against £27.2m for the previous nine month period. But there is a broa[d] hint of earnings recovery thi[s] year, and the dividend has bee[n] maintained. Together wit[h] yesterday's upsurge in equitie[s] generally, that left the share just ½p lower at 22p.

Germany has had a roug[h] time with weak prices an[d] slipping market share; it co[n]tributed almost a third of prof[its] before interest for the 1973-[74] period. But prices went up abo[ut] 15 per cent. for the man[u]facturer ex duty from May 1 an[d] this is clearly the key to cu[r]rent year recovery prospec[ts]. Exports should continue to [do] well, while in the U.K. Dunhi[ll] (up £1.4m. to £6.2m. pre-tax las[t] year) should keep the home based operations ticking over i[n] the face of price controls an[d] falling volume.

Meantime, the plight [of] sterling has now pushed co[n]vertible interest up to near[ly] £10m., and there is no solutio[n] in sight for either this ca[sh] drain or the balance she[et] pressures it applies to th[e] group. The market capitalisatio[n] is £34m. and an 11.1 per cen[t] yield is covered 2.3 times.

See also Page 20

Land Securities sales to raise £80m.

By Nicholas Leslie

A BOOST to the property world is given to-day with the announcement by Land Securities Investment Trust, Britain's biggest property company, that it is raising at least £80m. towards the cost of its development programme from sales, arranged since April, 1974, of "selective investment properties."

At the same time, the company is switching steadily from a policy of traditional development to what it describes as "revitalisation" of properties.

The cash raising plans are disclosed by Lord Samuel, chairman of Land Securities, in his annual statement with the report and accounts for the year to March 31, 1975, published to-day.

They come one day after another property group, English Property Corporation, announced a right issue to raise £15.4m. for its U.K. development programme in preference to carrying out developments on a lease-back basis or disposing of investment properties.

Lord Samuel says properties are being *sold* because the group's more normal policy of arranging permanent finance from time to time as developments are completed has been adversely affected by a change in the conditions under which property funding had been available.

Of sales in hand, the aggregate of those in respect of which terms have been agreed since April 1, 1974 "amounts to £80m., subject to capital gains tax arising on the disposals," says Lord Samuel.

Land Securities has found that rack rented (that is, let at about current market rents) freehold properties have proved most popular among purchasers. Included among the sales are properties in the City and the West End of London and four leasehold Ravenseft shopping centres.

Lord Samuel says it is intended to concentrate on revitalisation of properties as opposed to entering major redevelopment projects because of continuing unfavourable conditions. This will ensure that the revenue-earning capacity of the buildings is enhanced "pending some clarification of the industry's long-term future."

Healey's wage guidelines are welcomed by CBI

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry said last night it was "relieved" that the Chancellor had clearly stated the pay limits necessary over the next year to allow the U.K. "to reach a rate of inflation comparable with our industrial competitors."

It said it had realised during the recent discussions with the TUC and the Government that circumstances could demand that the Government act at once. "These circumstances now exist," the CBI stated.

But the CBI remained extremely concerned that the Government might take some action to tighten price controls. "That would be detrimental to companies' already very difficult financial situation and thus to their future investment and employment prospects," it said.

In recent weeks the CBI has been hammering home the point that, however politically attractive it might be to match pay controls with price controls, this would just destroy any benefit that a pay policy might have on employment levels.

Industry has survived the worst of the recent cash squeeze, mainly by cutting back investment (by 15 per cent., according to the latest statistics) and output. Any further pressure on prices would only put companies back in serious cash-flow difficulties once again, the CBI argues, and force them to look at the jobs they could provide.

Real test

Many industrialists say privately they believe they have convinced the Prime Minister and Mrs. Shirley Williams that the present Price Code goes far enough.

They add, however, that the real test of the Government's determination might come next year when, hopefully, wage restraint should have taken hold and yet prices will still be rising substantially.

The CBI in its statement last night also declared: "We believe that the measures to be announced next week should be only the first stage of policies to reduce inflation rates still further over the next two or three years."

The rate of inflation is the key to employment, investment and Britain's competitive edge in world markets, a spokesman stressed, and many of our competitors already had it down to the 10 per cent. level, although "10 per cent. inflation is intolerable in the long-term."

The CBI outlined last month its own suggestions for bringing inflation down to an "acceptable" level of 5 per cent. a year within two to three years.

It also made it clear last night that it is still willing to continue discussions with the Government and the TUC on counter-inflation policies.

Crown Agents decision on Stern likely

By Margaret Reid

THE Crown Agents are expected very shortly, probably to-day, to assent to the scheme of arrangement for the Stern Group recently approved by the necessary majorities of creditors.

The agents, who handle investment for many overseas Governments and Boards, and who were recently backed by an £85m. Government grant, have large sums, exceeding £30m., outstanding to the Stern Group companies. Their assent to the scheme was held up, while counsel's opinion was sought on certain points.

It was emphasised yesterday that, as part of a very detailed review of its past commitments and involvements, the agents were vigorously pursuing any chances of claims and recovery.

Continued from Page 1

Healey statement

Government's proposals — and one which must increase the odds in favour of the policy becoming statutory—is that the wage limits are significantly below those which have been discussed even by those union leaders who are being highly co-operative with the Government.

On any reasonable estimate the wage targets imply a reduction in average living standards in the year ahead, after a period when living standards have remained noticeably higher than might have been expected, given the U.K. inflation and balance of payments problems.

This is a sensitive point with both the Labour Party and the unions, and Mr. Healey claimed yesterday that the necessary reduction was "nothing like as great as I have seen it stated in some newspapers."

"It would be temporary," he said, "and I believe there will be overwhelming public support for seeking to correct this very damaging inflation by sacrifices now, rather than remaining on an inflationary merry-go-round which will ultimately destroy the whole of the country."

With an eye on future living standards, Mr. Healey also made the point that industrial investment—which the Bank of England regards as a major victim of current inflation rates—would be certain to increase if the rate of inflation could be brought down at the rate he had indicated.

There was no reference in the Chancellor's brief statement to monetary policy, but it is understood that the recent rate of increase in the broad definition of money supply—M3—is regarded as being not only below the going rate of inflation but also below the official limits.

Continued from Page 1

TUC bid

ment to find a way to contain prices.

These union leaders therefore were not prepared yesterday to publicly condemn the Chancellor for threatening statutory controls even though the introduction of such controls would lead to a massive outcry.

Weather

U.K. TO-DAY

DRY, with sunny periods, in England and Wales. Becoming cloudy later in Scotland and N. Ireland, with occasional rain spreading from north. Very warm in S.E.

E. and S.E. England, E. Anglia

Dry, sunny periods. Mist and fog patches early. Wind light. Max. 23C. (73F). Cooler on coasts.

London, Cent. S. and Cent. N. England, Midlands

Dry, sunny periods. Fog patches early. Wind light, variable. Very warm. Max. 24C. (75F.).

Channel Is.

Dry, sunny periods. Wind light, variable. Max. 19C. (66F.).

S.W. England, Wales

Dry, sunny periods. Wind light, variable. Max. 23C. (72F.). Cooler on coasts.

N.W. and N.E. England, Lakes, I. of Man

Dry, sunny periods. Fog patches early. Wind variable, becoming S.W., light. Max. 22C. 72F.

Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, N. Ireland

Dry, sunny periods. Perhaps rather cloudy late in day. Wind S.W. light, becoming moderate. Max. 20C. (68F.).

Argyll, Cent. Highlands, Aberdeen

Dry, sunny spells, becoming cloudy later, possibly with late light rain. Wind S.W. moderate, becoming fresh. Max. 18C. (64F).

N.E. and N.W. Scotland, Moray Firth, Orkney, Shetland

Cloudy, occasional rain or drizzle. Wind S.W., moderate, becoming fresh. Max. 14C. (57F.).

Outlook: Warm and sunny in England and Wales, with thundery showers possible in W. Cloudier in Scotland and N. Ireland with some rain.

Lighting up: London 21.50, Manchester 22.11, Glasgow 22.35, Belfast 22.33.

Pollen count: London—124, high. Forecast, similar.

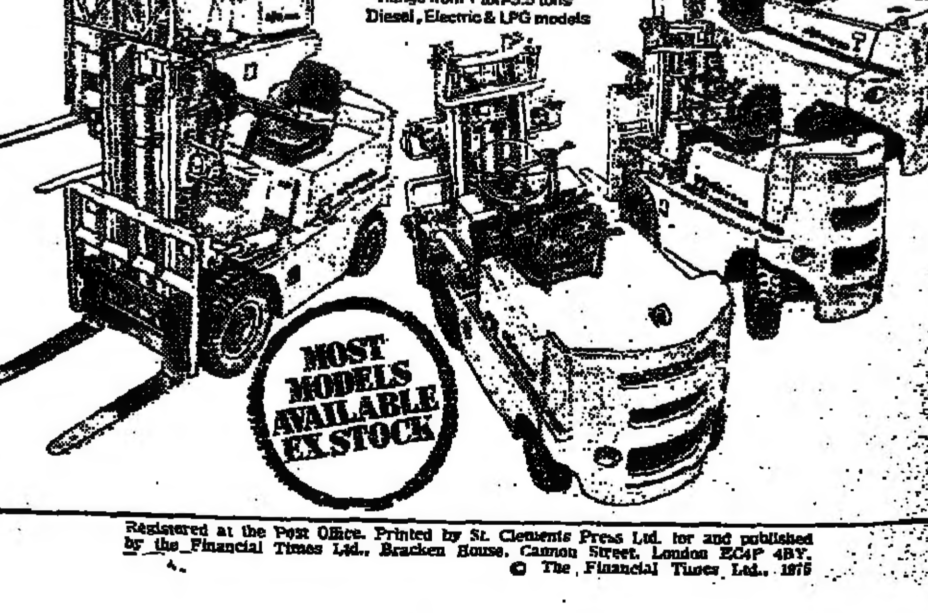
BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	18	64	Madrid	S	29	84
Athens	S	29	84	Manchstr.	F	20	68
Barcelona	S	24	75	Melbourne	S	13	54
Beirut	S	28	82	Milan	F	24	75
Belfast	S	20	68	Montreal	S	22	72
Belgrade	R	15	59	Moscow	S	22	72
Berlin	C	20	68	Munich	C	10	50
Birmghm.	F	21	70	Newcastle	C	19	66
Bristol	F	23	73	New York	S	24	75
Brussels	S	19	66	Oslo	S	24	75
Budapest	R	14	57	Paris	S	20	68
B. Aires	S	16	61	Perth	S	17	63
Cairo	S	32	90	Prague	R	12	54
Cardiff	S	21	70	Reykjavik	C	8	46
Cologne	S	17	63	Rome	S	24	75
Cophagn.	F	16	61	Singapore	S	30	86
Dublin	S	22	72	Stockholm	S	22	72
Edinb'gh	C	19	66	Strasbourg	F	18	64
Frankfurt	S	19	66	Sydney	S	14	57
Geneva	F	16	61	Tehran	S	36	98
Glasgow	C	17	63	Tel Aviv	F	27	81
Helsinki	S	19	66	Tokyo	C	22	72
H. Kong	C	31	87	Toronto	S	25	77
Jo'burg	S	19	66	Vienna	R	13	54
Lisbon	S	25	77	Warsaw	C	18	64
London	S	21	70	Zurich	F	17	63
Luxembg.	S	18	64				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	23	73	Las Plms.	S	24	75
Algiers	S	26	79	Locarno	F	22	72
Biarritz	S	22	72	Majorca	F	27	81
Blackpool	S	17	63	Malaga	S	26	79
Bordeaux	S	22	72	Malta	S	24	75
Boulogne	S	18	64	Mexico C.	S	21	71
Cape Tn.	C	18	66	Nairobi	S	22	72
Corfu	S	28	82	Naples	F	23	73
Faro	S	28	82	Nassau	R	25	77
Florence	S	27	81	Nice	S	25	77
Funchal	S	22	72	Nicosia	S	29	84
Gibraltar	C	23	73	Oporto	F	21	70
Guernsey	S	19	66	Rhodes	S	32	90
Innsbruck	R	8	46	Salzburg	R	10	50
Inverness	C	18	64	Tenerife	C	19	66
I. of Man	S	19	66	Tunis	S	27	81
Istanbul	S	30	86	Valencia	S	28	82
Jersey	S	21	70	Venice	C	23	73

S—Sunny. F—Fair. C—Cloudy. R—Rain.



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